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and Financial Crimes

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Common Abbreviations

AML	Anti-Money Laundering
APG	Asia/Pacific Group on Money Laundering
ARS	Alternative Remittance System
CFATF	Caribbean Financial Action Task Force
CTF	Counter-Terrorist Financing
CTR	Currency Transaction Report
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOJ	Department of Justice
DOS	Department of State
EAG	Eurasian Group to Combat Money Laundering and Terrorist Financing
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
EU	European Union
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FinCEN	Financial Crimes Enforcement Network
FIU	Financial Intelligence Unit
GAFISUD	Financial Action Task Force Against Money Laundering In South America
GIABA	Inter-Governmental Action Group against Money Laundering
IBC	International Business Company
IFI	International Financial Institution
IMF	International Monetary Fund
INCSR	International Narcotics Control Strategy Report
INL	Bureau for International Narcotics and Law Enforcement Affairs
IRS	Internal Revenue Service
IRS-CID	Internal Revenue Service, Criminal Investigative Division
MENAFATF	Middle Eastern and Northern African Financial Action Task Force
MLAT	Mutual Legal Assistance Treaty
MOU	Memorandum of Understanding
NCCT	Non-Cooperative Countries or Territories
OAS	Organization of American States
OAS/CICAD	OAS Inter-American Drug Abuse Control Commission
OFC	Offshore Financial Center
PIF	Pacific Islands Forum
SAR	Suspicious Activity Report
STR	Suspicious Transaction Report
UN Drug Convention	1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
UNGPMML	United Nations Global Programme against Money Laundering
UNODC	United Nations Office for Drug Control and Crime Prevention
UNSCR	United Nations Security Council Resolution
USAID	Agency for International Development
USG	United States Government

MONEY LAUNDERING AND FINANCIAL CRIMES

The 2006 report on Money Laundering and Financial Crimes is a legislatively mandated section of the U.S. Department of State's annual International Narcotics Control Strategy Report. This 2006 report on Money Laundering and Financial Crimes is based upon the contributions of numerous U.S. Government agencies and international sources. A principal contributor is the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN), which, as a member of the international Egmont Group of Financial Intelligence Units, has unique strategic and tactical perspective on international anti-money laundering developments. FinCEN is the primary contributor to the individual country reports. Another key contributor is the U.S. Department of Justice's Asset Forfeiture and Money Laundering Section (AFMLS) of Justice's Criminal Division, which plays a central role in constructing the Money Laundering and Financial Crimes Comparative Table and provides international training. Many other agencies also provided information on international training as well as technical and other assistance including the following: Department of Homeland Security's Bureau of Immigration and Customs Enforcement; Department of Justice's Drug Enforcement Administration, Federal Bureau of Investigation, and Office for Overseas Prosecutorial Development Assistance; Treasury's Internal Revenue Service, the Office of the Comptroller of the Currency, and the Office of Technical Assistance. Also providing information on training and technical assistance are the independent regulatory agencies, Federal Deposit Insurance Corporation, and the Federal Reserve Board.

Legislative Basis for the INCSR

The Money Laundering and Financial Crimes section of the Department of State's International Narcotics Control Strategy Report (INCSR) has been prepared in accordance with section 489 of the Foreign Assistance Act of 1961, as amended (the "FAA," 22 U.S.C. § 2291). The 2006 INCSR is the 23rd annual report prepared pursuant to the FAA. In addition to addressing the reporting requirements of section 489 of the FAA (as well as sections 481(d)(2) and 484(c) of the FAA and section 804 of the Narcotics Control Trade Act of 1974, as amended), the INCSR provides the factual basis for the designations contained in the President's report to Congress on the major drug-transit or major illicit drug producing countries initially set forth in section 591 of the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L. 107-115) (the "FOAA"), and now made permanent pursuant to section 706 of the Foreign Relations Authorization Act, Fiscal Year 2003, (P.L. 107-228)(the "FRAA").

The FAA requires a report on the extent to which each country or entity that received assistance under chapter 8 of Part I of the Foreign Assistance Act in the past two fiscal years has "met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances" (the "1988 UN Drug Convention"). FAA § 489(a)(1)(A).

Although the Convention does not contain a list of goals and objectives, it does set forth a number of obligations that the parties agree to undertake. Generally speaking, it requires the parties to take legal measures to outlaw and punish all forms of illicit drug production, trafficking, and drug money laundering, to control chemicals that can be used to process illicit drugs, and to cooperate in international efforts to these ends. The statute lists action by foreign countries on the following issues as relevant to evaluating performance under the 1988 UN Drug Convention: illicit cultivation, production, distribution, sale, transport and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction.

In attempting to evaluate whether countries and certain entities are meeting the goals and objectives of the 1988 UN Drug Convention, the Department has used the best information it has available. The 2006 INCSR covers countries that range from major drug producing and drug-transit countries, where drug control is a critical element of national policy, to small countries or entities where drug issues or the capacity to deal with them are minimal. In addition to identifying countries as major sources of precursor chemicals used in the production of illicit narcotics, the INCSR is mandated to identify major money laundering countries (FAA §489(a)(3)(C)). The INCSR is also required to report findings on each country's adoption of laws and regulations to prevent narcotics-related money laundering (FAA §489(a)(7)(c)). This report is that section of the INCSR that reports on money laundering and financial crimes.

A major money laundering country is defined by statute as one "whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking" (FAA § 481(e)(7)). However, the complex nature of money laundering transactions today makes it difficult in many cases to distinguish the proceeds of narcotics trafficking from the proceeds of other serious crime. Moreover, financial institutions engaging in transactions involving significant amounts of proceeds of other serious crime are vulnerable to narcotics-related money laundering. This year's list of major money laundering countries recognizes this relationship by including all countries and other jurisdictions, whose financial institutions engage in transactions involving significant amounts of proceeds from all serious crime. The following countries/jurisdictions have been identified this year in this category:

Major Money Laundering Countries in 2005

Afghanistan, Antigua and Barbuda, Australia, Austria, Bahamas, Belize, Bosnia and Herzegovina, Brazil, Burma, Cambodia, Canada, Cayman Islands, China, Colombia, Costa Rica, Cyprus, Dominican Republic, France, Germany, Greece, Guatemala, Guernsey, Haiti, Hong Kong, Hungary, India, Indonesia, Isle of Man, Israel, Italy, Japan, Jersey, Latvia, Lebanon, Liechtenstein, Luxembourg, Macau, Mexico, Netherlands, Nigeria, Pakistan, Panama, Paraguay, Philippines, Russia, Singapore, Spain, St. Kitts and Nevis, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, and Venezuela.

The Money Laundering and Financial Crimes section provides further information on these countries/entities and United States money laundering policies, as required by section 489 of the FAA.

Introduction

International efforts against money laundering grew stronger and more effective in 2005. More countries, 17, have promulgated anti-money laundering and counterterrorist financing laws for the first time, or updated their existing statutes to comply with revised international norms and standards. Contributions from the international coalition of donors to help with these efforts grew as a result of G-8 and other initiatives. The capability for information and intelligence exchanges among countries in support of criminal investigations improved as seven more Financial Intelligence Units (FIUs) became members of the Egmont Group of FIUs, raising its global membership to 101 FIUs. Authorities also undertook some important money laundering investigations leading to significant seizures and prosecutions. The money laundering challenge nevertheless remains formidable. The stakes are high on both sides. Money is the oxygen for most crime, and the most threatening and dangerous criminal networks and terrorist organizations will go to any extreme to ensure that they can protect their profits or secure their financing whether this means ratcheting up retaliation against authorities who are too hot on their trail, or shifting to less visible and penetrable methods even if this means a loss of efficiency or carries other risks.

It is important to sustain and strengthen these gains because focusing on money laundering is one of the most valuable tools law enforcement has to combat international crime. A focus on money laundering can accomplish what many other law enforcement tools cannot. In the “one-size-fits-all” vein, anti-money laundering measures constitute a unique instrument that can be applied equally effectively to a wide variety of crimes—that is essentially any crime that must be financed or that is committed for profit. Once in place, anti-money laundering measures can be used without any special tailoring or tweaking to attack such threats as narcotics trafficking, alien smuggling, intellectual property theft, organized crime, environmental crime, terrorist financing, corruption, and more. Focusing on money laundering plays a supportive role in these investigations, but in many instances, money laundering investigations lead to prosecutions of the underlying crimes. Few other law enforcement measures offer such utility or efficiency.

Money laundering investigations also take advantage of one of the most important vulnerabilities of sophisticated, criminal or terrorist organizations: their risk of exposure. Terrorism and much of organized crime thrive because they take place in the shadows of open society. As long as it stays in the underground of aliases, coded messages, false documents, and clandestine operations it is often undetectable to even seasoned investigators, especially if, in the case of some crimes, its victims do not immediately see or feel its effects, or come forward to report it. When criminal activity breaches this underground, it often provides leads and evidence authorities can use to unravel these cases. The challenge of coping with especially large amounts of money inevitably generates pressure on the criminal organizations to take placement, layering, and integration actions involving record keeping,

meetings, or other events that eventually surface and expose them for identification and tracking. Full exploitation of these vital breakthroughs can lead investigators, armed with incriminating financial intelligence and evidence, to the financiers and managers of these organizations, to the heart of the syndicates. Getting this desirable outcome in many countries around the world still requires a great deal of innovation, training, equipment, and political will.

Building Awareness and Acceptance

Much recent anti-money laundering progress is due to the efforts in the United Nations, the Financial Action Task Force (FATF), the global network of FATF-style regional bodies (FSRBs), and in individual countries, to raise international awareness and inspire national commitment to attack money laundering—and its associated problem of terrorist financing. Indeed, much has already been achieved on this front through the creation and global acceptance of international norms and standards to fight money laundering and terrorist financing. For nearly two decades, the norms and standards have been embodied, with periodic updates and revisions to take into account new money laundering methods, patterns, and threats, in the FATF Forty Recommendations on money laundering and, following the “9/11” attacks, the Special Eight, now Nine, Recommendations on Terrorist Financing. FATF has subsequently succeeded in getting these recommendations universally recognized even though most nations do not belong to this 33-member international body. For instance, the negotiators’ background notes for both the 2000 UN Convention on Transnational Organized Crime (UNTOC) and the 2003 UN Convention Against Corruption (UNCAC) call upon States Parties to use as a guideline the relevant initiatives of regional, inter-regional and multilateral organizations against money laundering, thus, calling upon State parties to use the FATF recommendations. The UNTOC came into force in 2003, 90 days after the 40th country deposited its instrument of ratification, and the UNCAC similarly came into force in 2005. The FATF Recommendations achieved another milestone when the UN Security Council also acknowledged their primacy as the international anti-money laundering and counterterrorist financing gold standard by declaring in UN Security Council Resolution 1617 that the UNSC “ Strongly urges all Member States to implement the comprehensive international standards embodied in the Financial Action Task Force’s (FATF) Forty Recommendations on Money Laundering and the FATF Nine Special Recommendations on Terrorist Financing” .

Meanwhile, FATF’s Non-Cooperative Countries and Territories (NCCT) initiative to spur greater international anti-money laundering cooperation and compliance is phasing down after years of effective implementation. Initiated in 2000, FATF focused this “name and shame” initiative at strategic countries and jurisdictions with woefully inadequate anti-money laundering regimes. Since inception of the NCCT tool, FATF has placed 23 jurisdictions on the NCCT list. Faced with the pressure of international censure and open to training and technical assistance from the United States and other donor nations and organizations, most of the NCCTs have taken the corrective measures FATF prescribed. Consequently, there has been a steady annual reduction in listed jurisdictions. In 2005, FATF removed the Cook Islands, Indonesia, Nauru, and the Philippines from the list leaving only Burma and Nigeria as the remaining NCCTs.

Increasingly, the global network of FATF-style regional bodies is the mechanism responsible for ensuring compliance and implementation of the FATF Recommendations. 129 countries belong to one or another of the seven FSRBs that now cover most of the world. To be a member of one of these FSRBs, a country must commit to adopting and eventually implementing the FATF Forty plus Nine, and to making itself subject to mutual evaluations intended to identify weaknesses and vulnerabilities in its anti-money laundering/counterterrorist financing regimes and ways to correct them. The two newest FSRBs that were formed in 2004—the EurAsian Group on Combating Money Laundering and Financing of Terrorism (EAG) which covers Russia, Central Asia, and China, and the Middle East and North African Financial Action Task Force (MENAFATF) which covers 14 countries in those

regions—have become operational. In its first year, the EAG conducted an assessment of the training and technical assistance needs of its member states, and then held a conference bringing together the member states with observers, international financial institutions, multilateral bodies, and other potential donors. Similarly, MENAFATF issued three detailed working papers on the subjects of hawala, charities and cross-border cash couriers. The efforts are producing results. The number of jurisdictions that have criminalized money laundering to include predicate crimes beyond narcotics increased to 172 in 2005 from 163 in 2004. Similarly, 10 more countries criminalized terrorist financing in 2005, bringing the total number of countries with such laws to 123.

The United States meanwhile continues to exert bilateral pressure through application of Section 311 of the USA PATRIOT Act in appropriate circumstances. Section 311 of the USA PATRIOT Act authorizes the Secretary of Treasury, after consultation with various U.S. agencies including the Board of Governors of The Federal Reserve, the Secretary of State and the Attorney General and other relevant federal agencies, to designate a foreign jurisdiction, financial institution, class of transactions, or type of account as being of “primary money laundering concern,” and to impose one or more of five remedies known as “special measures.” Four of the special measures impose information-gathering and record-keeping requirements upon those U.S. financial institutions that maintain accounts for specific jurisdictions, institutions or types of accounts as described in the 311 designation. Under the fifth special measure, the Secretary of Treasury can issue rules that prohibit U.S. financial institutions from establishing, maintaining, administering or managing any correspondent account or a payable-through account for or on behalf of the designated primary money laundering concern. In 2005, the USG designated two Latvian banks, VEF Banka and Multibanka, and Macau-based Banco Delta Asia S.A.R.L. as primary money laundering concerns. These rules have not yet been finalized. According to the Federal Register Notice, Banco Delta Asia S.A.R.L. provided financial services for more than 20 years to multiple North Korean government agencies and front companies that are engaged in illicit activities, and worked with DPRK officials to accept large deposits of cash, including counterfeit U.S. currency and agreeing to place that currency in circulation. In addition to the activities of the DPRK, investigations revealed that Banco Delta Asia S.A.R.L. serviced a multi-million dollar account on behalf of a known international drug trafficker. The Latvian government has taken steps to improve its anti-money laundering laws and successfully prosecuted four individuals for money laundering in 2005. Shortly after the U.S. Treasury Department published its proposed rule against Macau’s Banco Delta Asia, the bank went into receivership and is governed by three interim managers appointed by the Macau government.

Engineering Structural Change

Once countries have accepted international norms and standards to combat money laundering and terrorist financing, the first level of commitment most of them make to this cause is to institute structural changes in their anti-money laundering regimes so they can legally, administratively, and operationally abide by and implement these standards. Many countries, faced with this often difficult and relatively expensive task turn to the United States and other international donors for help. The United States plays a leading role in this regard by providing assistance bilaterally, regionally, and through contributions to multilateral organizations.

Our bilateral efforts focus mostly on the terrorist-financing threat and are concentrated in some two dozen countries whose financial sectors are particularly vulnerable to abuse. To address those concerns, the State Department works through the Terrorist Finance Working Group, co-chaired by the Office of the Coordinator for Counterterrorism and the Bureau for International Narcotics and Law Enforcement Affairs, and coordinates training and technical assistance provided by experts from various U.S. government (USG) agencies that help these strategic countries develop viable anti-money laundering and counterterrorism finance regimes. Through December 2005, State Department-led

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interagency teams have comprehensively assessed the capabilities and vulnerabilities of 20 of these countries and have provided assistance to 23. The State Department maximizes the institution-building benefits of its assistance by delivering it in both sequential and parallel steps. The steps, while tailored to each country's unique needs as determined by the assessments, include help in the following areas:

- drafting and enacting comprehensive anti-money laundering and terrorist finance laws that have measures that enable states to freeze and seize assets that comply with the FATF's revised Forty Recommendations and its Special Nine Recommendations on Terrorist Financing;
- establishing a regulatory regime to oversee the financial sector;
- training law enforcement agencies, prosecutors and judges so that they have the skills to successfully investigate and prosecute financial crime; and
- creating and equipping Financial Intelligence Units (FIU) so that they can collect, analyze, collate, and disseminate suspicious transactions reports and other forms of financial intelligence to both help develop cases domestically and share information internationally through FIUs in other countries as part of transnational investigations.

Even with the focus on terrorist financing, we continue to address money laundering in its broader context, especially in key narcotics-producing countries (such as Colombia and Mexico) and in countries where powerful organized crime syndicates pose an especially significant threat to the stability of weak or emerging regimes, as in Central Asia. We are increasingly focusing on regional approaches in a cost-saving effort to spread our assistance more widely.

A good example of this effort is the updated anti-money laundering training that now includes an emphasis on counterterrorist financing which the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) funds through its global network of International Law Enforcement Academies (ILEAs). INL funds and manages foreign-based ILEAs in Hungary, Thailand, Botswana, and, coming fully on line in 2006, El Salvador. The ILEA program brings together mid- to senior-level law enforcement officials, including investigators, prosecutors, judges, and legislators, from neighboring countries in a particular region for specialized anti-money laundering and terrorist financing instruction taught by experts from the Departments of Justice, Homeland Security, Treasury, and elsewhere in the U.S. government. ILEA's regional concept is particularly effective in generating trust and networking among participants, which facilitates task-force development and cross-border law enforcement cooperation.

This model inspired the recently completed, five year long Caribbean Anti-Money Laundering Program (CALP), a multilateral undertaking of the United States, the United Kingdom and the European Union. CALP employed a team of resident experts who provided regional and bilateral training to the 21 Caribbean member countries of CARIFORUM for the purpose of developing viable anti-money laundering regimes, including the ability post 9/11, of countering terrorist financing. This training was responsible for helping to remove several countries in the region from the FATF NCCT list. To replicate the success of the CALP in the Pacific, the Department of State is now funding the Pacific Island Forum (PIF) to create the Pacific Anti-Money Laundering Program (PALP). This four-year program, to be coordinated with efforts in the region by the UN Global Programme against Money Laundering, the Asia/Pacific Group on Money Laundering (APG), Australian anti-money laundering agencies, and the International Monetary Fund, is aimed at building comprehensive anti-money laundering/counter terrorist financing regimes in the 14 Pacific Islands Forum member states that are not members of FATF. Six of these 14 PIF countries that will participate in the PALP are also members of the Asia Pacific Group (APG)—the FSRB for this region.

The United States is engaged in other forms of cost-saving "burden sharing." For instance, the G-8, in its 2003 Summit, committed to creating the Counter-Terrorism Action Group (CTAG). Under CTAG,

the G-8 countries and other key donors work to coordinate their provision of counterterrorist financing and other counterterrorism training and technical assistance. The CTAG partnered with the FATF, asking it to assess the needs of a small list of countries to which CTAG wanted to provide coordinated technical assistance. By mid-2005, twelve CTAG members, including the United States, had delivered more than 200 coordinated, cost-saving, technical assistance programs in several aspects of combating terrorism and terrorist finance to more than 150 countries through bi-lateral and regional training. The United States also continues to work closely with the United Kingdom, Australia, Spain, Japan, the UN Global Programme against Money Laundering, the IMF and the World Bank on country and regional programs, coordinating the use of both limited human and financial resources to avoid duplication and provide synergistic programming. The United States ratified the Organization of American States (OAS) InterAmerican Convention Against Terrorism in 2005, and continues to work very closely with the OAS Inter-American Drug Abuse Control Commission (CICAD) Office of Money Laundering and the OAS Counter-Terrorism Committee in developing viable anti-money laundering regimes capable of thwarting terrorist financing in this hemisphere.

Operationalizing Efforts

The biggest hurdle to achieving significant international success against money laundering has been operationalizing these reforms: to actually use the laws, the training, and the resources to undertake important money laundering investigations leading to asset seizures and forfeitures and to arrests, prosecutions, and convictions of major criminals and terrorists. Examples of the effective use of a country's money laundering laws can be seen in the investigative and prosecution work occurring in every part of the world. The Prosecutor General's Office in Latvia maintains a specially-cleared unit to prosecute cases linked to money laundering. In the first ten months of 2005, the unit referred eight criminal cases to court for criminal offenses relating to money laundering. In one court case involving seven defendants, four of them received sentences for money laundering. During 2005, Israel, a former FATF NCCT, has been the nexus of several high profile money laundering cases. In March 2005, the International Crimes Unit (ICU) of the Israeli National Police (INP) raided Bank Hapoalim and its trust company, in what was described as the biggest money laundering scandal ever in Israel. The police froze over 180 accounts with more than \$376 million, and some 24 employees were detained, including the manager and four senior executives. The investigation is ongoing. In South America, Peru continues to make strong efforts at uncovering and recovering millions of dollars believed to be the proceeds of money laundered by Vladmiro Montesinos, former director of the Peruvian Intelligence Service. In 2005, Peru obtained its first two convictions for money laundering. One case was for laundering drug proceeds, the other for public corruption; currently there are three money laundering cases being prosecuted for money laundering. In the Asia/Pacific regions, Thailand had 57 successful money laundering convictions, while Palau had its first successful prosecution. In all these countries, State Department funded training has played an important role in the development of their anti-money laundering regimes.

Yet, the international community is underachieving on this front. Part of the problem is the elusiveness of the threat that continues to thwart efforts by even the best investigators; and part continues to be the lack of political will and corruption. Traditionally, anti-money laundering measures concentrate on the large amounts of money that move through traditional financial institutions. Law enforcement has long understood that the placement of cash into banks is where criminal money launderers and the financiers of terrorism are most vulnerable. However, despite our real success in establishing an international system of financial transparency to detect suspicious activity in banks and increasingly non-bank financial institutions, criminal money launderers continue to find ways to circumvent our financial safeguards, as do the financiers of terrorism. The U.S. Department of Treasury reports that 47 countries worldwide have frozen a total of approximately \$150,000,000 of terrorist assets since

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September 11- \$44 million by the United States. Of the \$150,000,000 frozen, only \$64,600,000 has been forfeited, a figure that Treasury reports has remained essentially unchanged since 2002.

In 2006, we have a clearer understanding of our vulnerabilities and recognize that anti-money laundering laws and regulations do not always reach alternative and underground systems for moving dirty money, or transferring value, or financing terrorism. New tools and techniques are needed to surface and expose this activity. This is particularly true in the battle against terrorist finance. For example, in 2005, the FATF issued Special Recommendation IX on cash couriers. As a result, during the last year, countries around the world have worked to implement cross-border currency reporting requirements that will assist law enforcement in monitoring bulk cash shipments.

Additionally, new and effective anti-money laundering measures must be developed to counter the well-established practice of trade-based money laundering. Trade is the common denominator in many entrenched underground or alternative systems such as hawala, the black market peso exchange, the misuse of the international gold and diamond trade, and other value transfer systems. Over and under invoicing are common techniques to provide countervaluation in value transfer and settling accounts. To help address these vulnerabilities, INL provided funding to the Department of Homeland Security's Office of Immigration and Customs Enforcement (ICE) in 2005 to establish prototype Trade Transparency Units (TTUs) in the Tri-Border countries of Argentina, Paraguay and Brazil. TTUs examine anomalies in trade data that could be indicative of customs fraud and trade-based money laundering. This is also a positive step with respect to compliance with FATF Special Recommendation VI on Terrorist Financing via alternative remittance systems. In a legacy U.S. Customs pilot program examining suspicious trade data in Colombia, investigators were also able to detect examples of the black market movements of value connected to the terrorist organization Revolutionary Armed Forces of Colombia (FARC). TTUs in the Tri-Border area have the potential to reveal discrepancies in trade data that could lead to successful investigations and prosecutions for trade-based money laundering, tax evasion and other crimes, and perhaps reveal links to terrorist financiers and organizations.

At the urging of the United States and others, the international community is beginning to recognize and address the close link between corruption and money laundering. Kleptocrats and other corrupt officials rely on money laundering as a means to stow away and enjoy the fruits of their corrupt actions. Public corruption can facilitate such laundering, and cause regulatory authorities and law enforcement to turn a blind eye. The Financial Action Task Force formally recognized the link between corruption and anti-money laundering at its October 2005 plenary session at which it agreed to explore with the Asia/Pacific Group on Money Laundering the "symbiotic relationship among corruption, money laundering and terrorist financing" and how the FATF's experience could be used to "combat these combined threats". The United Nations Convention Against Corruption (UNCAC), which entered into force in December 2005 and currently has over 180 signatories or parties, calls for extensive action in the area of money laundering and asset recovery, and is quickly becoming the new global international standard for fighting corruption. UNCAC and the growing international anticorruption movement are sure to provide complementary benefits to ongoing anti-money laundering efforts worldwide.

Despite the progress the international community has made to combat money laundering and stanch the flow of terrorist financing, the United States and the global community continue to face a large and dynamic threat that will require a prolonged commitment of resources to sustain and intensify efforts. More innovative methods such as Trade Transparency Units will be required to attack traditional systems of transferring value, laundering money and financing terrorism, and more efficient use of scarce resources, such as emphasizing regional training, will become increasingly necessary. All of this must play out against a backdrop of countries having the political will to go beyond important first steps of accepting their responsibilities to combat money laundering and terrorist financing and

creating the structures to do so, to actually launching and completing the investigations against the powerful criminals and threatening terrorists who put us so much at risk.

Bilateral Activities

Training and Technical Assistance

During 2005, a number of U.S. law enforcement and regulatory agencies provided training and technical assistance on money laundering countermeasures and financial investigations to their counterparts around the globe. These courses have been designed to give financial investigators, bank regulators, and prosecutors the necessary tools to recognize, investigate, and prosecute money laundering, financial crimes, terrorist financing, and related criminal activity. Courses have been provided in the United States as well as in the jurisdictions where the programs are targeted.

Department of State

The Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INL) and the Department's Office of the Coordinator for Counter-Terrorism (SCT) co-chair the interagency Terrorist Finance Working Group, and together are implementing a multi-million dollar training and technical assistance program designed to develop or enhance the capacity of a selected group of more than two dozen countries whose financial sectors have been used or are vulnerable to being used to finance terrorism. As is the case with the more than 100 other countries to which INL-funded training was delivered in 2005, the capacity to thwart the funding of terrorism is dependent on the development of a robust anti-money laundering regime. Supported by and in coordination with the State Department, the Department of Justice, Department of Homeland Security, Treasury Department, the Federal Deposit Insurance Corporation, and various non-governmental organizations offered law enforcement, regulatory and criminal justice programs worldwide. This integrated approach includes assistance with the drafting of legislation and regulations that comport with international standards, the training of law enforcement, the judiciary and bank regulators, as well as the development of financial intelligence units capable of collecting, analyzing and disseminating financial information to foreign analogs.

Nearly every federal law enforcement agency assisted in this effort by providing basic and advanced training courses in all aspects of financial criminal investigation. Likewise, bank regulatory agencies participated in providing advanced anti-money laundering/counterterrorist financing training to supervisory entities. In addition, INL made funds available for the intermittent or full-time posting of legal and financial advisors at selected overseas locations. These advisors work directly with host governments to assist in the creation, implementation, and enforcement of anti-money laundering and financial crime legislation. INL also provided several federal agencies funding to conduct multi-agency financial crime training assessments and develop specialized training in specific jurisdictions to combat money laundering.

The success of the now concluded Caribbean Anti-Money Laundering Programme (CALP) convinced INL that a similar type of program for small Pacific island jurisdictions had the potential of developing viable anti-money laundering/counterterrorist regimes. Accordingly, INL contributed \$1.5 million to the Pacific Islands Forum to develop the Pacific Island Anti-Money Laundering Program (PALP). The objectives of the PALP are to reduce the laundering of the proceeds of all serious crime and the financing of terrorist financing by facilitating the prevention, investigation, and prosecution of money laundering. The PALP's staff of resident mentors will provide regional and bilateral mentoring and

training and technical assistance to the Pacific Islands Forum fourteen non-FATF member states for the purpose of developing viable regimes that comport with international standards.

In 2005, INL reserved \$1,000,000 for the United Nations Global Programme against Money Laundering (GPML). In addition to sponsoring money laundering conferences and providing short-term training courses, the GPML instituted a unique longer-term technical assistance initiative through its mentoring program. The mentoring program provides advisors on a yearlong basis to specific countries or regions. GPML mentors provided assistance to the Secretariat of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and to the Horn of Africa countries targeted by the President's East Africa Counterterrorism Initiative. Another GPML resident mentor provided assistance to the Philippine FIU.

INL continues to provide significant financial support for many of the anti-money laundering bodies around the globe. During 2005, INL supported the Financial Action Task Force on Money Laundering (FATF), the international standard setting organization. INL continued to be the sole U.S. Government financial supporter of the FATF-style regional bodies (FSRBs) including the Asia/Pacific Group on Money Laundering (APG), the Council of Europe's MONEYVAL, the Caribbean Financial Action Task Force (CFATF), the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and the South American Financial Action Task Force, Grupo de Accion Financiera de Sudamerica Contra el Lavado de Activos (GAFISUD). INL also financially supported the Pacific Islands Forum and the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Office of Money Laundering and the OAS Counter-Terrorism Committee.

As in previous years, INL training programs continue to focus on an interagency approach and on bringing together, where possible, foreign law enforcement, judicial and Central Bank authorities. This allows for an extensive dialogue and exchange of information. This approach has been used successfully in Asia, Central and South America, Russia, the Newly Independent States (NIS) of the former Soviet Union, and Central Europe. INL also provides funding for many of the regional training and technical assistance programs offered by the various law enforcement agencies, including assistance to the International Law Enforcement Academies.

International Law Enforcement Academies (ILEAs)

The mission of the regional ILEAs has been to support emerging democracies, help protect U.S. interests through international cooperation, and promote social, political, and economic stability by combating crime. To achieve these goals, the ILEA program has provided high-quality training and technical assistance, supported institution building and enforcement capability, and fostered relationships of American law enforcement agencies with their counterparts in each region. ILEAs have also encouraged strong partnerships among regional countries, to address common problems associated with criminal activity.

The ILEA concept and philosophy is a united effort by all the participants-government agencies and ministries, trainers, managers, and students alike-to achieve the common foreign policy goal of international law enforcement. The goal is to train professionals that will craft the future for the rule of law, human dignity, personal safety, and global security.

The ILEAs are a progressive concept in the area of international assistance programs. The regional ILEAs offer three different types of programs. The Core program, a series of specialized training courses and regional seminars tailored to region-specific needs and emerging global threats, typically includes 50 participants, normally from three or more countries. The Specialized courses, comprised of about 30 participants, are normally one or two weeks long and often run simultaneously with the Core program. Lastly, topics of the Regional Seminars include transnational crimes, financial crimes, and counterterrorism.

The ILEAs help develop an extensive network of alumni that exchange information with their U.S. counterparts and assist in transnational investigations. These graduates are also expected to become the leaders and decision-makers in their respective societies. The Department of State works with the Departments of Justice (DOJ), Homeland Security (DHS) and Treasury, and with foreign governments to implement the ILEA programs. To date, the combined ILEAs have trained over 17,000 officials from over 70 countries in Africa, Asia, Europe, and Latin America. The ILEA budget averages approximately \$16-18 million annually.

Africa. ILEA Gaborone (Botswana) opened in 2001. The main feature of the ILEA is a six-week intensive personal and professional development program, called the Law Enforcement Executive Development Program (LEEDP), for law enforcement mid-level managers. The LEEDP brings together approximately 45 participants from several nations for training on topics such as combating transnational criminal activity, supporting democracy by stressing the rule of law in international and domestic police operations, and by raising the professionalism of officers involved in the fight against crime. ILEA Gaborone also offers specialized courses for police and other criminal justice officials to enhance their capacity to work with U.S. and regional officials to combat international criminal activities. These courses concentrate on specific methods and techniques in a variety of subjects, such as counterterrorism, anticorruption, financial crimes, border security, drug enforcement, firearms and many others.

Instruction is provided to participants from Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Djibouti, Ethiopia, Kenya, Uganda in East Africa, and Nigeria in West Africa. Planned country program expansion into sub-Saharan Africa was facilitated through a Training Needs Assessment/Program Expansion conference held in September 2005. As a result of this conference the sphere of influence for ILEA Gaborone was expanded to include countries Cameroon, Comoros, Congo, the Democratic Republic of Congo, Gabon and Madagascar.

United States and Botswana trainers provide instruction. ILEA Gaborone has offered specialized courses on money laundering/terrorist financing-related topics such as Criminal Investigation (presented by FBI) and International Banking & Money Laundering Program (presented by DHS/FLETC Federal Law Enforcement Training Center). ILEA Gaborone trains approximately 500 students annually.

Asia. ILEA Bangkok (Thailand) opened in March 1999. The ILEA focuses on enhancing the effectiveness of regional cooperation against the principal transnational crime threats in Southeast Asia-illicit drug-trafficking, financial crimes, and alien smuggling. The ILEA provides a Core course (the Supervisory Criminal Investigator Course or SCIC) of management and technical instruction for supervisory criminal investigators and other criminal justice managers. In addition, this ILEA presents one Senior Executive program and about 18 specialized courses-lasting one to two weeks-in a variety of criminal justice topics. The principal objectives of the ILEA are the development of effective law enforcement cooperation within the member countries of the Association of Southeast Asian Nations (ASEAN) plus China, and the strengthening of each country's criminal justice institutions to increase their abilities to cooperate in the suppression of transnational crime.

Instruction is provided to participants from Brunei, Cambodia, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Philippines, Singapore, Thailand, and Vietnam. Subject matter experts from the United States, Thailand, Japan, Netherlands, Philippines, and Hong Kong provide instruction. ILEA Bangkok has offered specialized courses on money laundering/terrorist financing-related topics such as Computer Crime Investigations (presented by FBI and DHS/Bureau of Customs and Border Protection (BCBP)) and Complex Financial Investigations (presented by IRS, DHS/BCBP, FBI and DEA). Total annual student participation is approximately 600.

Europe. ILEA Budapest (Hungary) opened in 1995. Its mission has been to support the region's emerging democracies by combating an increase in criminal activity that emerged against the backdrop of economic and political restructuring following the collapse of the Soviet Union. ILEA Budapest offers three different types of programs: an eight-week Core course, Regional Seminars and Specialized courses in a variety of criminal justice topics. Instruction is provided to participants from Albania, Armenia, Azerbaijan, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Trainers from 17 federal agencies and local jurisdictions from the U.S. and Hungary, Canada, Germany, United Kingdom, Netherlands, Ireland, Italy, Russia, Interpol as well as the Council of Europe provide instruction. ILEA Budapest has offered specialized courses on money laundering/terrorist financing-related topics such as Investigating/Prosecuting Organized Crime and Transnational Money Laundering (both presented by DOJ/OPDAT). ILEA Budapest trains approximately 950 students annually.

Global. ILEA Roswell (New Mexico) opened in September 2001. This ILEA offers a curriculum comprised of courses similar to those provided at a typical Criminal Justice Program university/college. These three-week courses have been designed and are taught by academicians for foreign law enforcement officials. This Academy is unique in its format and composition with a strictly academic focus and worldwide student body. The participants are mid- to senior-level law enforcement and criminal justice officials from Eastern Europe, Russia, the Newly Independent States (NIS), Association of Southeast Asian Nations (ASEAN) member countries, the People's Republic of China (including the Special Autonomous Regions of Hong Kong and Macau), member countries of the Southern African Development Community (SADC), other East and West African countries, and the Caribbean, Central, and South American countries. The students are drawn from pools of ILEA graduates from the Academies in Bangkok, Budapest, Gaborone, and San Salvador. ILEA Roswell trains approximately 450 students annually.

Latin America. At the Organization of American States General Assembly meeting in June 2005, Secretary Rice announced that the new ILEA for Latin America would be located in El Salvador. A Bilateral Agreement between El Salvador and the USG establishing the new ILEA was signed in September 2005 and was ratified by the Salvadoran National Assembly in November, 2005. The training program for the new ILEA in San Salvador will be similar to the ILEAs in Bangkok, Budapest, and Gaborone, and will offer a six-week Law Enforcement Management Development Program (LEMDP) for law enforcement and criminal justice officials as well as specialized courses for police, prosecutors, and judicial officials. In 2006, ILEA San Salvador will deliver one LEMDP session and about 10 Specialized courses that will concentrate on attacking international terrorism, illegal trafficking in drugs, alien smuggling, terrorist financing, financial crimes, culture of lawfulness, and accountability in government. Components of the six-week LEMDP training session will focus on terrorist financing (presented by the FBI), international money laundering (presented by DHS/ICE/Immigration and Customs Enforcement), and financial evidence/money laundering application (presented by DHS/FLETC and IRS). The Specialized course schedule will include courses on financial crimes investigations (presented by DHS/ICE) and money laundering training (presented by IRS). During the initial phase of operation, participants from the following countries are expected to attend: Argentina, Bahamas, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

Board of Governors of the Federal Reserve System (FRB)

An important component in the United States' efforts to combat and deter money laundering and terrorism financing is to verify that supervised organizations comply with the Bank Secrecy Act and have programs in place to comply with Office of Foreign Assets Control (OFAC) sanctions. The FRB, working with the other bank regulatory agencies, ensures compliance with these statutes for the institutions under its supervision. This task was advanced in 2005 with the issuance of the Bank Secrecy Act Anti-Money Laundering Examination Manual.

Internationally, the FRB conducted training and provided technical assistance to banking supervisors and law enforcement officials in anti-money laundering and counterterrorism financing tactics in partnership with regional supervisory groups or multilateral institutions. In 2005, the FRB provided training and/or technical assistance to Argentina, Jordan, Latvia, Indonesia, Korea, and Uzbekistan. Furthermore, these activities were presented on a regional basis to several Asia Pacific and Latin American countries. Due to the importance that the FRB places on international standards, the FRB anti-money laundering experts participated regularly in the U.S. delegation of the Financial Action Task Force and the Basel Committee's cross-border banking groups. The experts also meet with industry groups to support industry best practices in this area such as the Wolfsberg Group. In addition, the FRB presented at the U.S.-OSCE Conference on Combating Terrorist Financing.

The FRB also presented training courses to domestic law enforcement agencies including the Internal Revenue Service, the Federal Bureau of Investigation, the U.S. Postal Inspection Service, the Department of Homeland Security's Bureau for Immigration and Customs Enforcement, the Drug Enforcement Administration, as well as at the Federal Law Enforcement Training Center.

Bureau of Immigration and Customs Enforcement (ICE), Department of Homeland Security (DHS)

During 2005, the Bureau of Immigration and Customs Enforcement (ICE), Financial Investigations Division and the Office of International Affairs delivered extensive money laundering, financial investigations and antiterrorist financing training to domestic and foreign law enforcement organizations, and to the regulatory, banking and trade communities. ICE money laundering and financial investigations training is based on the broad experience achieved while conducting international money laundering and traditional financial investigations techniques as part of the U.S. Customs Service (USCS) legacy.

With the assistance of State Department funding, ICE provided technical assistance, training and instruction on interdicting and investigating bulk cash smuggling seizures in support of the Financial Action Task Force (FATF) Special Recommendation IX on Cash Couriers. During 2005, ICE provided this technical assistance and training to 450 foreign law enforcement officers in seven countries. ICE conducted and/or participated in 52 domestic and international money laundering and financial investigations seminars and conferences which focused on the traditional patterns and trends identified with trade based money laundering schemes, bulk cash smuggling, Black Market Peso Exchange (BMPE) investigations, alternative money remittance systems, and human trafficking. ICE also delivered training to the domestic and international private financial and trade sectors through the Cornerstone Program. The Cornerstone Program was developed and designed to provide the necessary skills to identify and develop a methodology to detect suspect transactions indicative of money laundering and criminal activity within the financial and trade community.

The ICE International Affairs and the Financial Investigations Division planned, coordinated and participated in providing international training and technical assistance through programs sponsored by the State Department Bureau for International Narcotics and Law Enforcement Affairs (INL), and

the International Law Enforcement Academy (ILEA) programs in El Salvador, Thailand, Gaborone, and Hungary. ICE personnel also participated and provided instruction to foreign police, judicial, banking and public sector officials through seminars and conferences sponsored by the FATF and the Asia/Pacific Group on Money Laundering (APG). Through these programs, ICE gave international training and technical assistance on conducting money laundering investigations, bulk cash smuggling, and trade based money laundering investigations to officials from over 100 countries worldwide.

In Lima, Peru, ICE conducted additional financial investigations training of law enforcement officers from 15 Central and South American countries in support of the Organization of American States' Inter-American Drug Abuse Control Commission (OAS/CICAD). The ICE Financial and Trade Investigations Division has supported these programs for more than two years.

ICE's Trade Transparency Unit (TTU) identifies anomalies related to cross-border trade that are indicative of international trade-based money laundering. The TTU generates, initiates and supports investigations and prosecutions related to trade-based money laundering, the illegal movement of criminal proceeds across international borders, alternative money remittance systems, terrorist financing, and other financial crimes. By sharing trade data with foreign governments, ICE and participating governments will be able to see both sides, import and export data for, of commodities entering or leaving their countries. This makes trade transparent and will assist in the identification and investigation of international money launderers and money laundering organizations.

The Tri-border area (TBA) of South America is bounded by Ciudad de Este, Paraguay, Foz do Iguacu, Brazil and Puerto Iguazu, Argentina. The TBA is reported as being South America's busiest contraband and smuggling center, generating which generates billions of dollars annually in money laundering, arms and drug trafficking, IPR counterfeiting and piracy. The United States has worked actively and cooperatively with governments in the region to disrupt this fundraising activity and together with Argentina, Brazil and Paraguay, the U.S. Government launched the "3+1" Counterterrorism Dialogue. The "3+1" dialogue is focused on terrorism prevention, counterterrorism policy discussion, increased cross-border cooperation, and mutual counterterrorism capacity building. The participating countries have met several times and are committed to strengthening cooperation among their financial intelligence units, border security officials, counterterrorism case prosecutors, and police investigators. In concert with U.S. policy, ICE, supported by and in conjunction with the Department of State INL Bureau funding, initiated the establishment of TTU's in the Tri-border area countries of Paraguay, Brazil and Argentina. The Governments of Paraguay and Brazil have exchanged trade data with ICE and are in the process of establishing their TTUs. In October 2005, the Government of Argentina formally acknowledged its intended participation in the TTU. The Government of Paraguay is in the process of establishing their TTU.

Drug Enforcement Administration (DEA), Department of Justice

With the assistance of State Department funding, the International Training Section of the DEA conducts its International Asset Forfeiture and Money Laundering courses in concert with the Department of Justice (DOJ). In 2005, hundreds of participants from Hong Kong, Macau, Jordan, Japan, India, Israel, and Italy received this training. A wide range of DEA international courses contain training elements related to countering money laundering and other financial crimes. The DEA training division also delivers training at the International Law Enforcement Academies in Bangkok, Budapest, Gaborone, and San Salvador.

The basic course curriculum, which was conducted in Jordan, Japan, India, Macau, and Israel, addresses money laundering and its relation to Central Bank operations, asset identification, seizure and forfeiture techniques, financial investigations, document exploitation, and international banking.

The curriculum also includes overviews of U.S. asset forfeiture law, country forfeiture and customs law, and prosecutorial perspectives. The advanced course, conducted in Hong Kong and Italy, included tracing the origin of financial assets, internet/cyber banking, terrorist financing, reverse sting operations, electronic evidence and data exploitation, role of intelligence in money laundering investigations, and case studies with practical exercises.

In addition, DEA presented a three-week International Narcotics Enforcement Management Seminar for officials from Colombia, Mexico, Panama, Bolivia, Ecuador, Chile, the Dominican Republic, Uruguay, Argentina, Brazil, Paraguay, Honduras, El Salvador, Costa Rica, Nicaragua, Belize, and the Netherlands Antilles. The DEA Chief of Financial Operations presented a block of training related to money laundering methods and techniques as well as best practices for investigating these crimes, at a conference sponsored by the UK's Assets Recovery Agency (ARA) to officials from the ARA, The Serious Organized Crime Agency (SOCA), Metropolitan Police, National Crime Squad, Her Majesty's Customs and Revenue (HMCR), and 43 constabularies.

DEA also participated in an exchange of information forum with officials from the People's Republic of China concerning recent trends in drug money laundering, especially related to trade-based money laundering and the Colombian Black Market Peso Exchange (BMPE) as it relates to commodities manufactured in China.

Federal Bureau of Investigation (FBI), Department of Justice

During 2005, with the assistance of State Department funding, Special Agents and other subject matter experts of the FBI continued their extensive international training in terrorist financing, money laundering, financial fraud, racketeering enterprise investigations, and complex financial crimes. The unit of the FBI responsible for international training is the International Training and Assistance Unit (ITAU) in the Training and Development Division, which is located at the FBI Academy in Quantico, Virginia. ITAU coordinates with the Terrorist Financing and Operations Section of the FBI's Counterterrorism Division, as well as other divisions within FBI Headquarters and in the field, to provide instructors for these international initiatives. FBI instructors, who are most often operational special agents or supervisory special agents from headquarters or the field, rely on their experience to relate to the international law enforcement students as peers and partners in the training courses.

The FBI regularly conducts training through International Law Enforcement Academies (ILEA) in Bangkok, Thailand; Budapest, Hungary; and Gaborone, Botswana. In 2005, the FBI delivered training in white collar crime investigations to 248 students from 12 countries at ILEA Budapest. The FBI was proud to participate in the opening session of the ILEA in San Salvador, El Salvador by providing terrorist financing and money laundering training to 36 students from El Salvador, Colombia, and the Dominican Republic. The FBI also delivered terrorist financing and money laundering training to 39 students from 19 Latin American countries through the Latin American Law Enforcement Executive Development Seminar conducted at the FBI Academy.

In other programs, the FBI trained international officials in Thailand, Kuwait, Malaysia, Nigeria, Qatar, Philippines, Bangladesh, United Arab Emirates, Suriname, Sri Lanka, and Slovenia. This included FBI participation in seminars and advanced seminars on terrorist financing, organized crimes, securities fraud, and other financial crimes that the Office of Overseas Prosecutorial Development delivered to 422 students in Nicaragua, Sri Lanka, Austria, and Slovenia. This also includes the one-week terrorist financing and money laundering training initiatives that the FBI regularly conducts with the assistance of the Internal Revenue Service, Criminal Investigative Division. This training reached 225 international students in Thailand, Malaysia, Kuwait, Nigeria, Qatar, Philippines, and Bangladesh. Additionally in 2005, the FBI has begun to develop and conduct advanced versions of this initiative.

Federal Deposit Insurance Corporation (FDIC)

In 2005, the FDIC continued to work in partnership with several agencies to combat money laundering and the global flow of terrorist funds. Additionally, the agency planned and conducted missions to assess vulnerabilities to terrorist financing activity worldwide, and developed and implemented plans to assist foreign governments in their efforts in this regard. To better achieve this end, the FDIC had 38 individuals available to participate in foreign missions. Periodically, FDIC staff meets with supervisory and law enforcement representatives from various countries to discuss anti-money laundering (AML) issues, including examination policies and procedures, the USA PATRIOT Act and its requirements, the FDIC's asset forfeiture programs, suspicious activity reporting requirements, and interagency information sharing mechanisms. In 2005, the FDIC gave such presentations to representatives from the Netherlands, Russia, Egypt, Swaziland, Zambia, and China.

In February and December 2005, with the assistance of State Department funding, the FDIC hosted approximately 50 individuals from Egypt, Jordan, Macedonia, Tanzania, Afghanistan, Bangladesh, Indonesia, and Morocco. The two sessions focused on AML and counterfinancing of terrorism, including the examination process, customer due diligence, and foreign correspondent banking. In March 2005, the FDIC participated in an interagency Financial Systems Assessment Team (FSAT) assisting representatives from Tanzania in evaluating and determining future technical assistance. The group reviewed the country's proposed AML law and provided information in the areas of customer identification programs, financial intelligence units and the monitoring of non-bank financial institutions.

The Financial Services Volunteer Corp requested individuals with extensive knowledge of AML legislation from the FDIC to give technical assistance to Macedonia in 2005. FDIC staff reviewed and advised Macedonian regulators and financial institution representatives on the development and implementation of AML requirements, current laws and regulations, organizational structure, and training needs. During 2005, the FDIC assisted the Department of Justice's Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) in regional conferences in Sri Lanka and the United Arab Emirates. The FDIC discussed the regulatory requirements of a formal banking system. Countries participating included Bahrain, Kuwait, Oman, Saudi Arabia, and the United Arab Emirates.

Financial Crimes Enforcement Network (FinCEN), Department of Treasury

FinCEN, the U.S. Financial Intelligence Unit (FIU), a bureau of the U.S. Department of the Treasury, coordinates and provides training and technical assistance to foreign nations seeking to improve their capabilities to combat money laundering, terrorist financing, and other financial crimes. FinCEN's particular focus in bilateral efforts is the creation and strengthening of FIUs—a valuable component of a country's anti-money laundering (AML) regimes. FinCEN's international training program has two components: (1) instruction and presentations to a broad range of government officials, financial regulators, law enforcement officers, and others on the subjects of money laundering, terrorist financing, financial crime, and FinCEN's mission and operation; and (2) training regarding FIU operations and analysis training via personnel exchanges. Much of FinCEN's work involves strengthening existing FIUs and the channels of communication used to share information to support anti-money laundering investigations. Participation in personnel exchanges (from the foreign FIU to FinCEN and vice versa), delegation visits to foreign FIUs, and regional and operational workshops are just a few examples of FinCEN activities designed to assist and support FIUs.

For those FIUs that are fully operational, FinCEN's goal is to assist the unit in increasing effectiveness, improving information sharing capabilities, and better understanding the phenomena of money laundering and terrorist financing. As a member of the Egmont Group of FIUs, FinCEN works closely with other member FIUs to provide training and technical assistance to countries and jurisdictions interested in establishing their own FIUs and then integrating them into the Egmont Group and having those units become candidates for membership in the Egmont Group.

During 2005, with the assistance of State Department funding, as well as Treasury, FinCEN conducted training courses, both independently and with other agencies including the Federal Bureau of Investigation and the Treasury Department's Office of Technical Assistance (OTA). Occasionally, FinCEN's training and technical assistance programming is developed jointly with these other agencies in order to address specific needs of the jurisdiction/country receiving assistance. In 2005, FinCEN conducted several training programs abroad to maximize participation by foreign FIUs.

Over the last twelve months, in an effort to enhance the sharing of information among established FIUs, FinCEN conducted personnel exchanges with a number of Egmont Group members, including the FIUs of from Liechtenstein, Mexico, and Russia. These exchanges offered the opportunity for FIU personnel to see how another FIU operates first-hand. The participants in these exchanges shared ideas, innovations, and insights, leading to improvements in such areas as analysis, information flow, and information security at their home FIUs.

Analysis training typically consists of a group of analysts from a country's FIU spending up to a week at FinCEN. Occasionally, FinCEN will conduct these training sessions abroad. FinCEN's analysis training program provides foreign analysts with basic skills in critical thinking and analysis, data collection, report writing, database research, financial analysis (such as bank records and net worth analysis), and case presentation. Training topics such as regulatory issues, international case processing, technology infrastructure and security, and terrorist financing and money laundering trends and typologies provide analysts with broader knowledge and a better understanding of the topic of money laundering. Finally, analysts gain an extensive knowledge of the U.S. AML regime by meeting with representatives from other federal agencies involved in the fight against money laundering and terrorist financing. These include the Justice Department's Asset Forfeiture and Money Laundering Section, the State Department's Bureau for International Narcotics and Law Enforcement Affairs and Office of the Coordinator for Counter-Terrorism, the Internal Revenue Service's Criminal Investigation Division, and the Homeland Security Department's Bureau of Immigration and Customs Enforcement (ICE).

During 2005, FinCEN conducted a week-long training program for over 25 analysts from seven countries in South and Central American and the Caribbean (Argentina, Chile, Costa Rica, the Dominican Republic, Panama, Peru and Venezuela) and, participated along with OTA and the Justice Department's OPDAT in a week-long seminar in Azerbaijan for law enforcement and regulatory personnel. FinCEN coordinated analytical training in Tbilisi for 30 analysts from Georgia's FIU, Prosecutor's Office and National Bank. with the Department of Homeland Security-Immigrations and Customs Enforcement (ICE) and, the Federal Bureau of Investigation (FBI). In Sri Lanka, FinCEN participated in a training seminar on FIU development, organized by the Sri Lankan Central Bank and the U.S. Embassy on FIU development. At the ILEA in Budapest, FinCEN participated in a program, jointly sponsored by ILEA and the Justice Department's Office of Overseas Prosecutorial Development and Asset Forfeiture and Money Laundering Section. Participants included local prosecutors, judges, banking officials, and law enforcement agents.

Thailand's FIU, the Anti-Money Laundering Office, sent three analysts to FinCEN for a week-long series of briefings on information analysis, data mining software and guidance on various regulatory issues. Also, FinCEN hosted officials from China's new FIU, the China Anti-Money Laundering Monitoring and Analysis Center, for a day of training focusing on IT, data storage and analysis

techniques, and the use of software in analyzing data. In 2005, FinCEN continued to collaborate with international organizations in order to enhance its role as a key provider of training and better understand the role of providing anti-money laundering/counterterrorist financing training and technical assistance. To that end, over the last year, FinCEN has significantly increased its coordination with organizations such as the Organization of American States, the International Monetary Fund and the World Bank.

In 2005, FinCEN hosted representatives from approximately 60 countries. These visits, typically lasting one to two days, focused on topics such as money laundering trends and patterns, the Bank Secrecy Act, USA PATRIOT Act, communications systems and databases, case processing, and the goals and mission of FinCEN. Representatives from foreign financial and law enforcement sectors generally spend one to two days at FinCEN learning about money laundering, the U.S. AML regime and reporting requirements, the national and international roles of a financial intelligence unit, and various other topics. The countries included: Argentina, Azerbaijan, Australia, Belgium, Bolivia, Bulgaria, Canada, China, Colombia, Croatia, Czech Republic, Denmark, Dominican Republic, El Salvador, Egypt, Finland, France, Germany, Georgia, Guatemala, Honduras, Hong Kong, India, Italy, Israel, Japan, Jordan, Kazakhstan, Kenya, Latvia, Lithuania, Macedonia, Malaysia, Mexico, Netherlands, Nicaragua, Nigeria, Norway, Panama, Pakistan, Paraguay, Peru, Poland, Romania, Serbia and Montenegro, Slovak Republic, South Korea, Spain, Swaziland, Taiwan, Tanzania, Turkmenistan, Ukraine, United Kingdom, Uruguay, Uzbekistan, and Venezuela. Representatives of the “Turkish Republic of Northern Cyprus” also visited FinCEN in 2005.

Internal Revenue Service (IRS), Department of Treasury

In 2005, the IRS Criminal Investigative Division (IRS-CID) continued its involvement in international training and technical assistance efforts designed to assist foreign law enforcement agents detect money laundering and the financing of terrorism. With the assistance of State Department’s funding, IRS-CID provided training through agency and multi-agency technical assistance programs to foreign law enforcement agencies. Training included basic and advanced financial investigative techniques, and combating money laundering and transnational terrorism.

IRS-CID provided support to the International Law Enforcement Academies (ILEAs) at Bangkok, Budapest and Gaborone by delivering training in Financial Investigative Techniques/Money Laundering and Antiterrorism Financing. At the Bangkok ILEA IRS-CID participated in two Supervisory Criminal Investigator Courses (SCIC) and served as the coordinator of the annual Complex Financial Investigations (CFI) course, which is provided to senior, mid-level, and first-line law enforcement supervisors, inspectors, investigators, prosecutors and customs officers from Cambodia, Hong Kong, Indonesia, Laos, Macau, Malaysia, People’s Republic of China, Philippines, Singapore, Thailand, and Vietnam. At ILEA Budapest IRS-CID participated in five sessions held in Budapest and also provided a class coordinator for one of the sessions to share experience and expertise in financial investigative matters with participants from Albania, Armenia, Azerbaijan, Belarus, Bosnia/Herzegovina, Bulgaria, Czech Republic, Croatia, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Serbia/Montenegro, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

IRS-CID participated in four Law Enforcement Executive Development (LEED) programs and also funded a special agent to serve as a Deputy Director at the ILEA in Gaborone, Botswana. Training was delivered to Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, Djibouti, Ethiopia, Kenya, Seychelles, Uganda, Nigeria, Cameroon, Comoros, Congo, DRC, Gabon, and Madagascar. At the INEA in San Salvador, IRS-CID continued to participate in the establishment of ILEA Latin America and participated in several meetings including the Key Leaders and curriculum development conferences. A Supervisory Academy Instructor

participated in the Latin America's Law Enforcement Development Program (LEMDP) pilot class and also attended the ceremony for the signing of the bi-lateral agreement for the establishment of the ILEA in San Salvador, including Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, and Venezuela.

Also with Department of State (DOS) funding, IRS-CID participated in the DOS Antiterrorism Assistance (ATA) training to countries attending the ILEAs. As part of this initiative, IRS-CID conducted five separate two-day sessions on Combating Transnational Terrorism Financing, (two at ILEA Budapest and Bangkok and one at ILEA Gaborone). The participants that attended the ILEA Budapest sessions were from Estonia, Latvia, Lithuania, Uzbekistan, Kyrgyzstan, Tajikistan, and Kazakhstan, Participants from Cambodia, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Philippines, Singapore, Thailand, and Vietnam attended ILEA Bangkok and participants from Ethiopia, Botswana, Kenya, and Tanzania attended the session in ILEA Gaborone.

In Trinidad, IRS-CID conducted a two-week Financial Investigative Techniques (FIT) training course. The overall goal of the course was to provide a forum for development of working relationships between the agencies represented and deliver some familiarization training about basic financial investigative techniques, money laundering and asset forfeiture. In Kuala Lumpur, Malaysia, IRS-CID conducted a basic and an advanced Financial Investigative Techniques (FIT) training course. The majority of the participants were investigators from the Inland Revenue Board assigned to the newly created criminal investigation function, with other participants being attorneys and supervisors. The initial course consisted of various instruction regarding basic financial investigative techniques, while the advanced course consisted of a two-week practical exercise where the participants worked a simulated investigation.

In Rarotonga, Cook Islands, IRS-CID conducted a two-week Money Laundering and Terrorist Financing course. This class was a more in-depth and comprehensive look at financial investigations to supplement the overview course presented the previous year. The two-week course consisted of a presentation by the IRS Attaché for the region on information available through his office for investigative inquiries, and a discussion of trends and emerging issues in terrorist financing and money laundering within the region. The participants included both government officials with responsibilities of financial investigation and oversight, and private sector individuals from banks and trust companies.

IRS-CID conducted Financial Investigative Techniques courses in three countries. One was a week-long course in Asuncion, Paraguay, for tax investigators from the tax administration of Paraguay, general prosecutors, the IRS Attaché for the region, the Director of the Financial Unit in Paraguay; the Resident Enforcement Advisor from the Treasury Office of Technical Assistance, and the Resident Legal Advisor from the Justice Overseas Prosecutorial Development Assistance. In Manila, Philippines, IRS-CID assisted the Philippines government with three classes for Investigative Agents. In Riga, Latvia, IRS-CID presented a class to 22 Latvian investigators and prosecutors.

IRS-CID conducted three Financial Investigations Training courses in Hong Kong in 2005. IRS-CID and the IRS Attaché for the region assisted the Hong Kong Inland Revenue with two days of courses. The courses were attended by 36 examiners and criminal investigators from Inland Revenue and Hong Kong Treasury accountants assigned to the Hong Kong Police Force. IRS-CID and the IRS Attaché for the region also made a presentation at a two-day terrorist financing seminar jointly hosted by the Hong Kong Police Force and the Federal Bureau of Investigation (FBI), and facilitated the seminar discussion regarding the abuse of charities for the financing of terrorism. FBI also held a two-day Advanced Money Laundering Seminar in which IRS-CID participated. Discussions were held with Hong Kong Police Officials on qualifications and training for a Money Laundering Expert Witness Training Program.

In Pretoria, South Africa, IRS-CID participated in a one-week Money Laundering and Asset Forfeiture Training Program sponsored by the U.S. Secret Service. The course was delivered to 70 investigators from the South African Police, with the remainder of the participants from the elite “Scorpion Unit.”

IRS-CID assisted the Office of Overseas Prosecutorial Development Assistance and Training (OPDAT) with a Complex Financial Investigations Course in Balvanyos, Romania, a Terrorist Financing Seminar in Sri Lanka, and two classes with an emphasis on Money Laundering and Terrorism Financing in Manila, Philippines for appellate and trial judges. The training held in the Philippines was funded through the American Bar Association (ABA). IRS-CID assisted the FBI in delivering multiple one-week courses on Anti-Money Laundering and Antiterrorism Financing. During 2005, the course was successfully delivered to participants in Bangladesh, Kuwait, Malaysia, Nigeria, Philippines, Qatar, Turkey, and Thailand.

The IRS-CID Mexico City Attaché delivered financial investigative training courses to 50 bank officials and government attorneys during a one-week Organized Crime Conference sponsored by the Colombian Banking Association (FELABAN), and then to 50 prosecutors from the Mexican Government Attorney General’s Office in charge of Money Laundering’s (PGR’s) International Section (MLAT Unit). The Attaché also participated in a one-week International Financial Fraud training session for 100 prosecutors from PGR’s Economic Crimes Section in Querétaro, and presented Money Laundering/Wire Remittances Investigative Techniques training to both a group of 40 FIU Directors from Central America and Argentina at the Financial Investigative Unit Conference in Vienna, Virginia, as well as to 100 prosecutors and banking officials at the Guatemalan Banker’s Association Conference. In Oaxaca, Mexico, the Attaché gave a one-week International Financial Fraud Seminar where he presented on “International Money Laundering,” “Money Services Business/Money Remitters” and “Black Market Peso Exchange” to over 100 prosecutors. In Ecuador, IRS-CID Bogotá Attaché provided one-week of Investigative Techniques training on money laundering to 50 banking officials.

Office of the Comptroller of the Currency (OCC), Department of Treasury

The Office of the Comptroller of the Currency charters, regulates and supervises all national banks and federal branches and agencies of foreign banks. The OCC’s nationwide staff of examiners conducts on-site reviews of national banks and provides sustained supervision of bank operations, including Bank Secrecy Act (BSA) and anti-money laundering (AML) compliance.

With the assistance of State Department funding, the OCC has conducted AML training for foreign bank supervisors and examiners two to three times per year for the past six years. Over 250 foreign bank supervisors have participated in this training program. In total, the OCC’s AML schools have trained approximately 650 OCC examiners over the past seven years. In addition, the OCC consistently provides instructors for the Federal Financial Institutions Examination Council schools, which are now patterned after the OCC’s school.

The OCC conducted and sponsored a number of anti-money laundering (AML) training initiatives for foreign banking supervisors during 2005. In January 2005, the OCC presented an Anti-Money Laundering/Antiterrorist Financing program to a visiting Chinese delegation. In May 2005, the OCC sponsored an Anti-Money Laundering/Anti Terrorist Financing School in Washington, D.C. The school was designed specifically for foreign banking supervisors to increase their knowledge of money laundering and terrorist financing activities and of how these acts are perpetrated. The course provided a basic overview of AML examination techniques, tools, and case studies. Twenty-five banking supervisors from the following countries were in attendance: Austria, Bahrain, Canada,

China, Egypt, Guatemala, Japan, Indonesia, Luxembourg, Nigeria, Philippines, Russia, St. Vincent & Grenada, Turkey, and United Kingdom.

The OCC, with the World Bank, also produced a DVD presentation of the March 2004 OCC sponsored Anti-Money Laundering/Terrorist Financing School held in Washington, D.C. This training was produced for distribution to foreign banking supervisors. In November 2005, the OCC provided instructors to a FDIC sponsored Anti-Money Laundering/Terrorist Financing School in Washington, D.C. The school was designed specifically for foreign banking supervisors to increase their knowledge of money laundering and terrorist financing activities and of how these acts are perpetrated. The course provided a basic overview of AML examination techniques, tools and case studies. Twenty banking supervisors from the following countries were in attendance: Afghanistan, Bangladesh, Indonesia, and Morocco. Also in November, the OCC presented an Anti-Money Laundering/Antiterrorist Financing program to Poland's Department of Financial Information as part of a week-long on-site visitation with FinCEN.

The OCC had originally scheduled an Anti-Money Laundering/Terrorist Financing School for the fourth quarter of 2005 in Lebanon, designed specifically for foreign banking supervisors to increase their knowledge of money laundering and terrorist financing activities. Due to security concerns, this training was postponed.

Office of Prosecutorial Development Assistance and Training & the Asset Forfeiture and Money Laundering Section (OPDAT and AFMLS), Department of Justice

Training and Technical Assistance

The Overseas Prosecutorial Development Assistance and Training (OPDAT) section is the office within the Justice Department that assesses, designs and implements training and technical assistance programs for our criminal justice sector counterparts overseas. OPDAT draws upon components within the Department, such as the Asset Forfeiture and Money Laundering Section (AFMLS) and the Counterterrorism Section, to provide programmatic expertise and to develop good partners abroad. Much of the training provided by OPDAT and AFMLS is provided with the assistance of the Department of State's funding.

In 2005, OPDAT provided training in the areas outlined below. In addition to programs that are targeted to each country's needs, OPDAT also provides long term, in-country assistance through Resident Legal Advisors (RLAs). RLAs are federal prosecutors who provide in-country technical assistance to improve the skills, efficiency and professionalism of foreign criminal justice systems. RLAs live in a country for one or two years to work with counterparts such as ministries of justice, prosecutors and the courts. To promote reforms in the criminal justice system, RLAs provide assistance in legislative drafting, modernizing institutional policies and practices, and training law enforcement personnel including prosecutors, judges, police and other investigative or court officials. For all programs, OPDAT draws on the expertise of the Department of Justice's Criminal Division and other components as needed. OPDAT works closely with AFMLS, the lead Justice section that provides countries with technical assistance in the drafting of money laundering and asset forfeiture statutes compliant with international standards.

Money Laundering/Asset Forfeiture

During 2005, the Justice Department's OPDAT and AFMLS continued to provide training to foreign prosecutors, judges and law enforcement, and assistance in drafting anti-money laundering statutes compliant with international standards. The assistance provided by OPDAT and AFMLS enhances the ability of participating countries to prevent, detect, investigate, and prosecute money laundering, and to make appropriate and effective use of asset forfeiture. The content of individual technical assistance varies depending on the specific needs of the participants, but topics addressed in 2005 included developments in money laundering legislation and investigations, complying with international standards for anti-money laundering/counterterrorist financing regime, illustrations of the methods and techniques to effectively investigate and prosecute money laundering, inter-agency cooperation and communication, criminal and civil forfeiture systems, the importance of international cooperation, and the role of prosecutors. In 2005, OPDAT also cosponsored with the Department of State and the Organization for Security and Cooperation in Europe (OSCE) a money laundering conference for all West and Eastern Europe countries, and Russia and Kyrgyzstan.

AFMLS provides technical assistance directly in connection with legislative drafting on all matters involving money laundering, asset forfeiture and the financing of terrorism. During 2005, AFMLS provided such assistance to 14 countries and actively participated in the drafting of the forfeiture provisions for the OAS/CICAD Model Regulations. AFMLS continues to participate in the UN Working Group to draft a model non-conviction based asset forfeiture law and the G-8 working groups on corruption and asset sharing.

With the assistance of Department of State funding, AFMLS provided training to government officials concerned with money laundering issues in the United Arab Emirates, Kenya, Sri Lanka, Afghanistan, Pakistan, Bangladesh, the Maldives, Thailand, Malaysia, Indonesia and the Philippines. These officials attended in-depth sessions on money laundering and international asset forfeiture. AFMLS attorneys participated in the meeting of the Intergovernmental Experts Group on International Asset Sharing which was convened in Vienna, Austria by UNODC. In preparation for the Experts Group meeting, AFMLS crafted the first draft from which experts worked to craft the model agreement. Ultimately, AFMLS was instrumental in the development and adoption of the "Model Bilateral Agreement on the Sharing of Confiscated Proceeds of Crime and Property" by the UN General Assembly in December 2005. Additionally, in 2005, AFMLS provided technical assistance to Afghanistan, Albania, Bangladesh, Brazil, Bulgaria, Pakistan, Indonesia, Iraq, Kenya, Sri Lanka, the Republic of Korea, Tanzania, Thailand, and Turkey.

In an effort to improve international collaboration in investigating and prosecuting intellectual property/counterfeiting cases, and to examine methods for forfeiting the proceeds of those crimes, the AFMLS hosted a conference in Hong Kong, April 12-15, 2005, on Forfeiting the Proceeds of Counterfeiting Crimes for prosecutors and investigators. Practitioners and other experienced government officials from Australia, China, Hong Kong, New Zealand, Singapore, South Korea, Thailand, and the United States participated. This conference brought practitioners and international experts, including those acting on behalf of private sector victims, together to share experiences and ideas to provide practical tools in combating counterfeiting crimes, including the freezing and forfeiting the proceeds of counterfeiting crimes.

During November 2005, AFMLS attorneys conducted a workshop on asset forfeiture, money laundering and terrorist financing in Seoul for 36 prosecutors from the Korean Supreme Public Prosecutor's Office (SPPPO). The agenda was specifically tailored to the prosecutors' needs and in-depth and interactive discussions that took place over three days. The Republic of Korea was in the process of presenting legislative proposals to its parliament on money laundering and forfeiture related issues, and several attorneys working in the legislative office were present at the workshop to follow up on particular questions regarding drafting assistance previously provided by AFMLS, particularly

with respect to the creation and operation of a forfeiture fund and asset sharing. AFMLS is hopeful that this workshop will be the springboard to joint money laundering cases and legislation affording more aggressive and expansive forfeiture opportunities. The two Directors of the SPPO in charge of narcotics, cybercrimes and financial crimes, including money laundering, attended the workshop and pledged enhanced cooperation with the USG in the future.

In November 2005, the RLA in Bulgaria and AFMLS conducted a two-week program in four cities in Bulgaria for approximately 100 prosecutors and police on the importance of conducting a financial investigation in human trafficking cases. Topics included money laundering, asset forfeiture, mutual legal assistance and the importance of conducting complex financial investigations.

In November 2005, OPDAT conducted a conference on Asset Forfeiture for Caribbean prosecutors and police in the Bahamas. It provided substantive technical assistance and promoted collaboration among prosecutors and investigators in the Caribbean in money laundering and forfeiture cases. The conference especially focused on the added benefit of using civil or non-conviction based forfeiture in the disruption of criminal organizations.

As part of Plan Colombia, in 2005, OPDAT continued to provide assistance to enhance the capability of Colombia's National Asset Forfeiture and Money Laundering Task Force to investigate and prosecute money laundering and other complex financial crimes, and to execute the forfeiture of profits from illegal narcotics trafficking and other crimes. These efforts are complemented by a comprehensive long-range program to assist the country's judges, prosecutors and investigators in making the transition from the inquisitorial to the accusatory system.

Organized Crime

During 2005, OPDAT organized a number of programs for foreign officials on transnational or organized crime, which included such topics as corruption, money laundering, implementing complex financial investigations and special investigative techniques within a task force environment, international standards, legislation, mutual legal assistance, and effective investigation techniques.

OPDAT RLAs continued to support Bosnia's Organized Crime Anti-Human Trafficking Strike Force and judges, prosecutors and police in Albania, Bulgaria, Kosovo, Macedonia, and Serbia and Montenegro through mentoring and training programs on investigating and developing organized crime case strategies.

Fraud/Anticorruption

OPDAT placed two RLAs overseas to provide technical assistance on a long-term basis specifically on corruption cases. In March 2005, OPDAT conducted a technical assistance program for prosecutors and investigators to improve their investigative and prosecutorial ability to combat public corruption

In May 2004, OPDAT placed the first RLA dedicated to anticorruption issues in Managua, Nicaragua. In January 2005, the RLA conducted a program for 50 Nicaraguan prosecutors and police on the techniques and tools involved in preparing and bringing corruption cases to trial in an accusatory criminal justice system. Although Nicaragua switched over from an inquisitorial criminal justice system in 2002, it is still in the process of training prosecutors, investigators, and judges in the trial advocacy skills needed to implement the new criminal procedure code. This year, the G-8 selected Nicaragua to participate in its Anticorruption/transparency Pilot Program. A finite objective is to establish an Anticorruption Task Force of prosecutors and investigators who will be vetted and specially trained to handle fraud and corruption cases. In September 2005, OPDAT sent a second RLA to Managua to replace the first RLA who departed during the summer.

Additionally, from June-August 2005, the OPDAT RLA to Indonesia provided a weekly seminar series for prosecutors and investigators of the Indonesia Corruption Eradication Commission (known as the KPK). During the summer of 2005 the OPDAT RLA also provided a similar seminar series for the Special Crimes Branch of the South Jakarta District Office.

Terrorism/Terrorist Financing

Since 2001 OPDAT, the Counterterrorism Section (CTS), and AFMLS have intensified their efforts to assist countries in developing their legal infrastructure to combat terrorism and terrorist financing. OPDAT, CTS, and AFMLS, with the assistance of other Department of Justice (DOJ) components, play a central role in providing technical assistance to foreign counterparts both to attack the financial underpinnings of terrorism and to build legal infrastructures to combat it. In this effort, OPDAT, CTS, and AFMLS work as integral parts of the U.S. Interagency Terrorist Financing Working Group (TFWG) in partnership with the Departments of State, Treasury, Homeland Security's ICE, and several other DOJ components.

OPDAT currently has five RLAs assigned overseas who are supported by the interagency Terrorist Financing Working Group (TFWG), co-chaired by State INL and S/CT. Working in countries where governments are vulnerable to or may even be complicit in terrorist financing, RLAs focus on money laundering and financial crimes and developing counterterrorism legislation that criminalizes terrorist acts, terrorist financing, and the provision of material support or resources to terrorist organizations. The RLAs also develop technical assistance programs for prosecutors, judges and, in collaboration with DOJ's International Criminal Investigative Training Assistance Program (ICITAP), police investigators to assist in the implementation of new money laundering and terrorist financing procedures.

In August 2003, an RLA was dispatched to Asuncion, Paraguay, part of the Tri-Border area (with Brazil and Argentina) where its rather porous borders facilitate money laundering and bulk cash smuggling. The second counterterrorism RLA arrived in Nairobi, Kenya in December 2004, to assist with terrorism legislation, training in complex financial crimes and, in general, to bolster the capacity of the prosecutor's office. Both RLAs have conducted significant legislative reform and/or training programs during their tenure. The RLA in Paraguay in 2005 continued his focus on needed reforms to the Paraguayan Criminal Procedure Code, providing counsel and technical assistance to the legislative commission assigned with the task of reform. Two study tours to Puerto Rico allowed Paraguayan legislators from the commission, judges and prosecutors to observe first hand how an effective, efficient criminal justice system functions using modern professional investigative tools. In October 2005, the RLA also arranged for the new Attorney General of Paraguay to visit the United States Attorney General to bolster support for law reform and to begin a new and more cooperative relationship with the USG. The legislative commission in Paraguay is finishing its work on procedural code reform and should begin initiating reforms in 2006.

In September and December 2005, the RLA in Nairobi, Kenya organized two sequential iterations of an advanced trial advocacy course for prosecutors. In addition to U.S. prosecutors, U.S. judges and FBI agents, presenters included two prosecutorial trainers from the Crown Prosecution Service who provided a British perspective on Kenyan legal practice. In January 2005, OPDAT sent a third counterterrorism RLA to the United Arab Emirates (UAE)—OPDAT's first RLA in the Gulf States—to work on financial crimes, terrorist financing, and money laundering issues. Following an initial comprehensive assessment of the legal system in the UAE, including the influence of Sharia law, the RLA organized DOJ participation in a conference on bulk cash smuggling and began planning a workshop on money laundering. The workshop entitled "Regional Conference on Investigating and Prosecuting Advanced Financial Crimes" was held in November 2005 and cosponsored by OPDAT, the UAE Central Bank and MENA-FATF, the regional style FATF body. The 150 participants

included the UAE Ministry of Justice and the Gulf Cooperation Council (GCC) (Saudi Arabia, Bahrain, Oman, Kuwait, Qatar, and the UAE). Presentations by USG Terrorist Financing and GCC experts focused on money laundering, bulk cash smuggling, regulation of hawala, and safeguarding charitable donations from being diverted to fund terrorist activities. Member of the GCC expressed interest in holding a similar event again in 2006.

In March 2005, OPDAT placed its first RLA in South Asia at Embassy Dhaka at strengthening the Government of Bangladesh's anti-money laundering/terrorist financing regime, and improving the capability of Bangladeshi law enforcement to investigate and prosecute complex financial and organized crimes. During 2005, the OPDAT RLA provided extensive advice, materials, guidance and background on the UN International Convention for the Suppression of Terrorist Financing to key Bangladeshi officials as they considered signing that document. The RLA also worked closely with officials from the inter-government consultation group to address concerns about the Convention. As a result, in June 2005, the government announced it would sign the convention, and by August, the instrument was ready for the Foreign Minister's signature and subsequent deposit at the UN.

In June, 2005, our OPDAT program placed an experienced prosecutor in Jakarta, Indonesia for one year to serve as the RLA. His role is to provide assistance to the Indonesian Counter Terrorism Task Force (CTTF) to augment their advanced criminal procedures, criminal laws, and prosecutor skills to prepare and try complex terrorism and other organized crime cases. His role is also to assist the general prosecutors with skill-building and integrity development to ultimately enlarge the cadre of CT prosecutors. The RLA has provided legislative drafting assistance and skills development seminars, and invited in experts from other components of DOJ to demonstrate techniques for effective mutual legal assistance.

In June 2005, OPDAT conducted a South Asia regional conference in Colombo, Sri Lanka on counterterrorist financing. Law enforcement officers, prosecutors, and financial sector officials from Sri Lanka, the Maldives, Bangladesh, Pakistan and Afghanistan participated in the event.

Office of Technical Assistance (OTA), Treasury Department

Treasury's OTA is located within the Office of the Assistant Secretary for International Affairs. OTA has five training and technical assistance programs: tax reform, government debt issuance and management, budget policy and management, financial institution reform, and more recently, financial enforcement reforms related to money laundering and other financial crimes.

Sixty highly experienced intermittent and resident advisors comprise the Financial Enforcement Team. These advisors provide diverse expertise in development of anti-money laundering/combatting terrorist financing (AML/CTF) regimes and the investigation and prosecution of complex financial crimes. The Financial Enforcement Team is divided into three regional areas: Eastern/Central Europe; Asia, Africa and the Middle East; and the Americas. Oversight and coordination of Financial Enforcement activities in each Region is provided by full-time Regional Advisors reporting to the Associate Director for Financial Enforcement.

OTA receives funding from the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL), USAID country missions, and direct appropriations from the U.S. Congress. Recently, OTA has been designated as the recipient of Millennium Challenge Corporation funding to provide assistance to a number of Threshold Countries to enhance their capacity to address corruption and related financial crimes indigenous to developing countries.

Assessing Training and Technical Assistance Needs

The goal of OTA's Financial Enforcement program is to build the capacity of the countries to prevent, detect, investigate, and prosecute complex international financial crimes providing technical assistance in three primary areas:

- Money laundering, terrorist financing, and other financial crimes;
- Organized crime and corruption; and
- Capacity building for financial law enforcement entities.

Before initiating any training or technical assistance to a host government, the OTA Enforcement team conducts a comprehensive needs assessment to identify needs and to formulate a responsive assistance program. These assessments address the legislative, regulatory, law enforcement, and judicial components of the various regimes and include the development of technical assistance work plans to enhance a country's efforts to fight money laundering, terrorist financing, organized crime and corruption. In 2005, such assessments were carried out in Afghanistan, Botswana, Brazil, Malawi, Colombia, Chile, Honduras, Kyrgyzstan, and Sao Tome and Principe. OTA also assessed Colombia's program to supervise financial institutions and formed a proposed program for implementation in 2006, which includes drafting of manuals and procedures for the examination of all supervised entities, as well as the presentation of related training courses. In addition to these OTA Enforcement Team assessments, OTA participated in Department of State led interagency assessments in Tanzania and Nigeria to identify areas in need of future technical assistance.

Anti-Money Laundering and Antiterrorism Financing Training

OTA specialists delivered anti-money laundering and antiterrorism financing courses to government and private sector stakeholders in several countries. The specific training components delivered in any given country depended on a country's specific needs and legal requirements. In formulating training programs OTA experts delivered one or more of several course components including, for example: identifying and developing local and international sources of information; how banks and non-bank financial institutions operate, how they are regulated, and what records they keep and in what form; investigative techniques including pen registers, electronic surveillance, undercover operations; forensic evidence including latent prints, ink and paper analysis; case development, planning and organization; report writing; and, with the assistance of local legal experts, rules of evidence, search and seizure as well as asset seizure/forfeiture procedures.

Such courses, including many of the mentioned course components and others, were delivered in several African countries, including Ethiopia (jointly with the United Nations Global Programme against Money Laundering), Lesotho, Senegal and Zambia. In Asia, OTA provided assistance to the Philippines. An OTA resident advisor posted to the Asian Development Bank (ADB) at its Manila headquarters provided guidance and operational support to the financial and governance sector operations of ADB Regional Departments related to anti-money laundering and border controls.

In Europe, OTA teams conducted a number of training programs, including: financial investigation training programs with financial profiling in Bulgaria; mortgage practice training for examiners and banks to manage the credit risk arising from the dramatic expansion of the mortgage market in Romania; a "train-the-trainer" program on auditing techniques for concerned officials in Armenia; and anti-money laundering seminars for the Ministry of Interior, Customs Administration, Securities Commission, Central Bank, and Tax Administration, both bank and non-bank institutions in Serbia and Montenegro.

In the Caribbean, a Financial Investigations Techniques two week course and comprising all topics identified above was provided to financial crimes investigators from Antigua and Barbuda, Bahamas,

Barbados, Bermuda, Cayman Islands, Grenada, Guyana, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad & Tobago, and Turks and Caicos. Brazil also attended the training course at the REDTRAC training facility in New Kingston, Jamaica. Assisting the Government of Haiti's efforts to combat corruption and to recover substantial assets pilfered from the government's treasury, the OTA technical assistance team has worked with the Unite Centrale de Renseignements Financiers (UCREF) in the identification and gathering of evidence for use in prosecutions in Haiti and abroad. In 2005, OTA revitalized its assistance program in Honduras to improve that country's capacity to effectively prosecute complex financial crimes.

Support for Financial Intelligence Units

In Paraguay and Peru, OTA advisors trained FIU analysts. Advisors worked with the FIUs and other agencies to improve domestic and international communications, establishing memoranda of understanding for other information exchange protocols with relevant authorities including prosecutors and police authorities, other countries, and the Financial Crimes Enforcement Network. In both countries, the assistance provided involved the installation and training in the use of information technology systems, analytical databases and software tools. In Peru and the Republic of Montenegro, this type, and other assistance, helped both strengthen their FIUs and obtain membership in the Egmont Group.

In Ukraine, OTA continued efforts to help streamline the national FIU and assisted Ukraine in developing a strategy for meaningful engagement with international money laundering control organizations and specific foreign enforcement and financial intelligence agencies.

In Senegal, assistance was provided to assist the FIU achieve operational status and begin receiving suspicious transaction reports, train its staff, and assist in the development of procedures and regulations. In collaboration with the FIU, OTA hosted a series of fora for entities required to report suspicious transactions under the Anti-Money Laundering law, including banks, insurers, microfinance institutions, and the liberal professions (attorneys, accountants, auditors, and notaries), to train them on the new law's requirements. OTA also conducted a 3-day seminar for the FIU and Customs and Tax authorities, with the goal of enhancing cooperation between the services. OTA also participated in two regional seminars on FIU development and financial institutions, hosted by UNGPML and the French government, respectively.

Casino Gaming

In the Casino Gaming Group, OTA combines experts from its Tax and Financial Enforcement Teams and has been providing technical assistance to the international community in the areas of Gaming Industry Regulation since 2000. The program provides assistance in the drafting of gaming legislation, and in drafting the regulations required to implement the laws. The program also includes the provision of technical training to gaming industry regulators to provide the capacity for auditing casino operations, national lotteries and all games of chance. In addition, advanced technical workshops have been conducted in conjunction with the Nevada Gaming Commissioner in Las Vegas involving regulators from participating countries. The program has been well received by host country officials who see it as both a valuable revenue-producing project and an anticorruption measure. In 2005, the OTA Casino Gaming Group conducted an assessment in Antigua and Barbuda, and conducted technical assistance and training as described above in El Salvador, Costa Rica, Honduras, Montenegro, Panama, and Nicaragua. Also during 2005, the OTA Casino Gaming Group brought 15 gaming regulators from Honduras, Panama, Costa Rica and Nicaragua to Las Vegas for a series of lectures, tours and workshops. The Casino Gaming Group conducted an assessment of Chile's newly created regulatory regime for the gaming industry and provided assistance vetting casino license applicants.

Regional and Resident Advisors

OTA resident advisors continued international support in the areas of money laundering and terrorist financing. In 2005, OTA placed a resident advisor in Argentina to work with the GAFISUD Secretariat in the identification and implementation of training and technical assistance initiatives for its member governments. In February 2005, OTA placed a resident advisor in Senegal to work with Inter Government Action Group Against Money Laundering (GIABA), a regional body funded and supported by the Economic Community of West Africa States (ECOWAS), to assist it in reaching recognition as a Financial Action Task Force (FATF)-style regional body. In addition to her primary assignment with GIABA, the advisor also provides assistance to Senegal's nascent FIU. OTA is working jointly Treasury's Office of Financial Crimes and Intelligence to finalize the placement of a resident advisor in Amman, Jordan to assist in the development of the FIU and intelligence sharing capacity. The resident advisors in Bulgaria and Serbia and Montenegro continued efforts to streamline and enhance host governments' FIUs. Supporting national efforts against financial crimes was the focus of the resident advisors in Peru, Paraguay, Albania, Ukraine, Zambia and Romania. Resident advisors for the Caribbean focused on national efforts against financial crimes as well as on bank regulatory compliance. OTA has placed resident advisors in Armenia and Albania to provide technical assistance on internal audit and a resident advisor in Moscow, Russia to work with the Secretariat of the Eurasian Group on Anti-Money Laundering. OTA also concluded plans to place a resident advisor in Kabul, Afghanistan in early 2006, and to focus its technical assistance on the establishment and development of a FIU as a semi-autonomous unit within Da Afghanistan Bank. Lastly, while continuing its intermittent assistance to the Government of Sri Lanka, OTA finalized plans to place a resident advisor in Colombo in the late spring of 2006. This advisor will assist in the development of an effective anti-money laundering and counterterrorism financing regime, to include the establishment of an FIU that meets international standards.

Treaties and Agreements

Treaties

Mutual Legal Assistance Treaties (MLATs) allow generally for the exchange of evidence and information in criminal and ancillary matters. In money laundering cases, they can be extremely useful as a means of obtaining banking and other financial records from our treaty partners. MLATs, which are negotiated by the Department of State in cooperation with the Department of Justice to facilitate cooperation in criminal matters, including money laundering and asset forfeiture, are in force with the following countries: Antigua and Barbuda, Argentina, Australia, Austria, the Bahamas, Barbados, Belgium, Belize, Brazil, Canada, Cyprus, Czech Republic, Dominica, Egypt, Estonia, France, Grenada, Greece, Hong Kong (SAR), Hungary, India, Israel, Italy, Jamaica, Latvia, Liechtenstein, Lithuania, Luxembourg, Mexico, Morocco, the Netherlands, the Netherlands with respect to its Caribbean overseas territories (Aruba and the Netherlands Antilles), Nigeria, Panama, the Philippines, Poland, Romania, Russia, South Africa, South Korea, Spain, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Switzerland, Thailand, Trinidad and Tobago, Turkey, Ukraine, the United Kingdom, the United Kingdom with respect to its Caribbean overseas territories (Anguilla, the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands) and Uruguay. MLATs have been signed by the United States but not yet brought into force with the European Union and the following countries: Colombia, Germany, Ireland, Japan, Sweden and Venezuela. The United States has also signed and ratified the Inter-American Convention on Mutual Legal Assistance of the Organization of American States. The United States is actively engaged in negotiating additional

MLATS with countries around the world. The United States has also signed executive agreements for cooperation in criminal matters with the Peoples Republic of China (PRC) and Nigeria.

Agreements

In addition, the United States has entered into executive agreements on forfeiture cooperation, including: (1) an agreement with the United Kingdom providing for forfeiture assistance and asset sharing in narcotics cases; (2) a forfeiture cooperation and asset sharing agreement with the Kingdom of the Netherlands; and (3) a drug forfeiture agreement with Singapore. The United States has asset sharing agreements with Canada, the Cayman Islands (which was extended to Anguilla, British Virgin Islands, Montserrat, and the Turks and Caicos Islands), Colombia, Ecuador, Jamaica, Mexico and the United Kingdom.

Financial Information Exchange Agreements (FIEAs) facilitate the exchange of currency transaction information between the U.S. Treasury Department and other finance ministries. The U.S. has FIEAs with Colombia, Ecuador, Mexico, Panama, Paraguay, Peru, and Venezuela. Treasury's Financial Crimes Enforcement Network (FinCEN) has a Memorandum of Understanding (MOU) or an exchange of letters in place with other FIUs to facilitate the exchange of information between FinCEN and the respective country's FIU. FinCEN has an MOU or an exchange of letters with the FIUs in Argentina, Australia, Belgium, Canada, France, Guatemala, Italy, Japan, Netherlands, Netherlands Antilles, Panama, Poland, Russia, Singapore, Slovenia, South Korea, Spain, and the United Kingdom.

Asset Sharing

Pursuant to the provisions of U.S. law, including 18 U.S.C. § 981(i), 21 U.S.C. § 881(e)(1)(E), and 31 U.S.C. § 9703(h)(2), the Departments of Justice, State and Treasury have aggressively sought to encourage foreign governments to cooperate in joint investigations of narcotics trafficking and money laundering, offering the possibility of sharing in forfeited assets. A parallel goal has been to encourage spending of these assets to improve narcotics-related law enforcement. The long-term goal has been to encourage governments to improve asset forfeiture laws and procedures so they will be able to conduct investigations and prosecutions of narcotics trafficking and money laundering, which include asset forfeiture. The United States and its partners in the G-8 are currently pursuing a program to strengthen asset forfeiture and sharing regimes. To date, Canada, Cayman Islands, Hong Kong, Jersey, Liechtenstein, Switzerland, and the United Kingdom have shared forfeited assets with the United States.

From 1989 through December 2005, the international asset sharing program, administered by the Department of Justice, shared \$ 228,354,502.94 with foreign governments which cooperated and assisted in the investigations. In 2005, the Department of Justice transferred \$2,175,599.94 in forfeited proceeds to: Cayman Islands (\$1,707,917.79), Canada (\$22,928.32), Dominican Republic (\$10,000), Guatemala (\$147,176.37), and Indonesia (\$287,577.46). Prior recipients of shared assets include: Anguilla, Antigua and Barbuda, Argentina, the Bahamas, Barbados, British Virgin Islands, Canada, Cayman Islands, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, Greece, Guatemala, Guernsey, Hong Kong (SAR), Hungary, Jordan Isle of Man, Israel, Liechtenstein, Luxembourg, Netherlands Antilles, Paraguay, Peru, Romania, South Africa, Switzerland, Turkey, the United Kingdom, and Venezuela.

From Fiscal Year (FY) 1994 through FY 2005, the international asset-sharing program administered by the Department of Treasury shared \$27,408,032 with foreign governments that cooperated and assisted in successful forfeiture investigations. In FY 2005, the Department of Treasury did not report the transfer of any forfeited proceeds to a foreign government. Prior recipients of shared assets include: Aruba, Australia, the Bahamas, Cayman Islands, Canada, China, Dominican Republic, Egypt,

Guernsey, Honduras, Isle of Man, Jersey, Mexico, Netherlands, Nicaragua, Panama, Portugal, Qatar, Switzerland, and the United Kingdom.

Multi-Lateral Organizations & Programs

The Organization of American States Inter-American Drug Abuse Control Commission (OAS/CICAD) Group of Experts to Control Money Laundering

The Organization of American States Inter-American Drug Abuse Control Commission (OAS/CICAD) is responsible for combating illicit drugs and related crimes, including money laundering. In 2005, the Commission carried out a variety of anti-money laundering and counterterrorist financing initiatives. These included amending the Model Regulations for the Hemisphere to include techniques to combat terrorist financing, developing a variety of associated training initiatives, and participating in a number of anti-money laundering/counterterrorism meetings. This work in the area of money laundering and financial crimes also figures prominently in CICAD's Multilateral Evaluation Mechanism (MEM), which involves the participation of all 34 member states, and in 2004, included the updating and revision of some 80 questionnaire indicators through which the countries mutually evaluate regional efforts and projects.

CICAD's Group of Experts on Money Laundering met in March and October 2005 and developed modifications to the model money laundering regulations, which were approved by the 38th session of the CICAD Plenary. The new legislative guidelines include language on measures for effective asset forfeiture and management of seized assets and international cooperation. At the two meetings, the Money Laundering Group also reviewed international trends concerning special investigative techniques in money laundering cases.

In other activities, CICAD worked with the United Nations and the Governments of France and Spain to carry out training for a variety of countries on combating money laundering, conducting effective financial investigations, and recovering financial and other assets diverted through corrupt practices. For example, training seminars for prosecutors and judges focused on new trends in prosecution; in particular, the autonomy of the offense, evidence and judicial cooperation. These seminars were held in Brazil, Colombia, Costa Rica, and El Salvador, and mock trials were carried out in Guatemala, Peru and Venezuela. Similarly, the second stage course work on financial investigations focused on investigating the assets of criminal organizations and was provided to law enforcement officials from Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela. In addition, the first stage of a comparable course was completed in Central America.

In Asuncion, Paraguay, CICAD and GAFISUD co-sponsored the first regional seminar on special investigative techniques in May 2005. Also in 2005, CICAD initiated a two-year project to strengthen Financial Intelligence Units (FIUs) in Costa Rica, El Salvador, Nicaragua, Panama, Dominican Republic, Ecuador, and Uruguay. Activities included the evaluation of strategic plans for the various FIUs as well as the development of training modules. CICAD also advised Ecuador on the drafting of its new anti-money laundering law.

CICAD participated in a variety of laundering law meetings and conferences focused on money laundering and financial crimes, including conferences sponsored by the UN on special investigative techniques and witness protection, FATF meetings in Paris, and GAFISUD meetings in Buenos Aires. At INTERPOL, CICAD was accepted in the Working Group on Money Laundering.

Pacific Islands Forum

The Pacific Islands Forum (PIF) was formed in 1971, and includes the 16 independent and self-governing Pacific Island countries: Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The heads of member governments hold annual meetings, followed by dialogue at the ministerial level with partners Canada, China, European Union, France, Indonesia, Japan, Korea, Malaysia, Philippines, United Kingdom, and United States.

The Department of State continued support of efforts in combating terrorism and transnational organized crime, through funding to the Expert Working Group on Terrorism and Transnational Organized Crime. The U.S. State Department has also provided on-going funding for sub-regional money laundering, terrorist financing and proceeds of crime training for Pacific Islands' investigators and prosecutors.

The U.S. State Department's Bureau for International Narcotics and Law Enforcement Affairs contributed \$1.5 million to the PIF to establish the Pacific Anti-Money Laundering Program (PALP) modeled after the successful Caribbean Anti-Money Laundering Program (CALP). The PALP, projected to be a four-year long program, was officially launched during the Associated Leaders' meetings in October 2005 and will target the fourteen non-FATF member states of the PIFs (six of whom are members of the APG). The PALP, will provide regional and bi-lateral mentoring support with a staff comprised of a Coordinator and resident Mentors with demonstrated expertise in all elements required to establish viable anti-money laundering/counterterrorism terrorist financing regimes that comport with international standards. The PALP will be coordinated with efforts in the region by the UN Global Programme against Money Laundering, the Asia/Pacific Group on Money Laundering (APG), the Australian Attorney General's anti-money laundering program, other Australian agencies, and the International Monetary Fund.

United Nations Global Programme against Money Laundering

The United Nations is an experienced global provider of anti-money laundering (AML) training and technical assistance, and since 9-11, terrorist financing. The United Nations Office on Drugs and Crime (UNODC) program established The United Nations Global Programme against Money Laundering (GPML) in 1997 to assist Member States to comply with the relevant UN Conventions and other instruments that deal with money laundering and terrorist financing. These now include the United Nations Convention against Trafficking in Narcotics and Psychotropic Substances (the Vienna Convention), the United Nations International Convention for the Suppression of the Financing of Terrorism, the United Nations Convention against Transnational Organized Crime (the Palermo Convention), and the United Nations Convention against Corruption (the Merida Convention). The GPML is the focal point for anti-money laundering (AML) within the UN system and provides technical assistance and training in the development of related legislation, infrastructure and skills, directly assisting Member States in the detection, seizure and confiscation of illicit proceeds.

Since 2001, the GPML has incorporated a focus on counterterrorist financing (CTF) in all its technical assistance work. In 2005, the GPML, in a collaborative effort with the IMF, completed the revision of a model law on AML/CTF for civil law countries, encompassing worldwide AML/CTF standards and taking into account best legal practices. The GPML continued to work closely with the U.S. Department of Justice and the Organization for Security and Cooperation in Europe (OSCE) to deliver CTF training, particularly in the Central Asia region, Southern Europe and Africa.

Highlights of GPML's work in 2005 include the extensive development of its global computer-based training (CBT) initiative. The program provides 12 hours of interactive AML/CTF training for global delivery. Delivery of CBT continued in the Pacific Region, incorporating training of several thousand officials, law enforcement, legal, and financial personnel in seven jurisdictions, including Fiji, the Cook Islands and Vanuatu. In partnership with the INTERPOL Regional Office, three CBT training classrooms were established in Nairobi, Kenya, and Dar-Es-Salaam, Tanzania.

In 2005, GPML assigned a new staff member to the UNODC Regional Centre, East Asia and the Pacific (RCEAP) in Bangkok to establish and implement the Programme's CBT strategy. During the year, the staff member piloted and implemented CBT for the GPML in multiple locations throughout Africa, Asia, and Latin America, and assisted in the development of new language versions including Amharic and Arabic.

The GPML entered into a partnership with OAS-CICAD for joint assessment and delivery of the Spanish version of the CBT. Subsequently the partnership completed needs assessment missions in four Latin American countries. The training program has flexibility in terms of language, level of expertise, target audience, and theme. Computer-based training is particularly applicable in countries and regions with limited resources and law enforcement skills as it can be used for a sustained period of time. As an approach, CBT lends itself well to the GPML's global technical assistance operations.

The GPML provided technical assistance and training to more than 50 countries and jurisdictions throughout the world in 2005. The UN mentor based in the Pacific region, a joint initiative with the Commonwealth Secretariat, the Pacific Islands Forum Secretariat (PIFS) and the United States, gave technical assistance to a number of offshore financial center jurisdictions at high risk for abuse by money launderers, including the Cook Islands, Marshall Islands, Fiji, and Vanuatu in order to improve their financial investigations. The mentor provided support to the Office of the General Prosecutors, the law enforcement sector and FIU in Apia, Samoa. In Palau the technical assistance focused on training police officials, advising work on case management and delivering CBT. The mentor also organized a successful series of workshops on financial investigations in partnership with Pacific Islands Forum Secretariat.

In 2005, the Department of State (INL) continued to fund a UN mentor based in Tanzania with the Secretariat of the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG). The mentor delivered training to all 14 member states and assisted the ESAAMLG Secretariat in completing a three-year strategic plan which the member states adopted at the ESAAMLG Council of Ministers in August, 2005. The mentor also conducted an AML/CTF awareness raising seminar in Ethiopia and a training course on financial investigations for law enforcement officials of Ethiopia (in conjunction with OTA), Eritrea, Kenya, Tanzania, and Uganda together with the Interpol Regional Office in Nairobi, Kenya. The mentor developed a law enforcement train-the-trainer program for the three East African countries. In collaboration with the World Bank and the Department of State (INL), the GPML also placed a regional mentor for Central Asia in Almaty, Kazakhstan. The World Bank and INL have provided funding for a mentor in Hanoi, Vietnam to provide AML/CTF assistance to Vietnam, Lao PDR and Cambodia. At the national level, an INL-funded GPML mentor continued working in the financial intelligence unit of the Government of the Philippines. A FIU expert was also employed on an ad-hoc basis to provide assistance to emerging FIUs in Africa and the Caucasus region. Mentors and experts supported the development of the legal, administrative, analytical and international co-operation capacity of other national governments. In addition, the GPML assisted in legislative drafting for several countries, including Armenia, Azerbaijan, Belarus, Estonia, and Tajikistan., and conducted a two-day workshop on AML/CTF for financial supervisors in Central and Eastern Europe, jointly organized with OSCE in May.

The GPML's Mentor Programme is one of the most successful and well-known activities of international AML/CTF technical assistance and training, and is increasingly serving as a model for

other organizations' initiatives. It is one of the core activities of the GPML technical assistance program and is highly regarded by the AML/CTF community. In 2005, the GPML consolidated this advisory program, providing on-the-job training that adapts international standards to specific local/national situations, rather than traditional, generic training seminars. The concept originated in response to repeated requests from Member States for longer-term international assistance in this technically demanding and rapidly evolving field. The GPML provides experienced prosecutors and law enforcement personnel who work side-by-side with their counterparts in a target country for several months at a time on daily operational matters to help develop capacity. Some mentors advise governments on legislation and policy, while others focus on operating procedures. By giving in-depth support upon request, the mentors have gained the confidence of the recipient institutions, which enables the achievement of concrete and significant outputs.

The GPML's Mentor Programme has key advantages over more traditional shorter-term forms of technical assistance. First, the mentor offers sustained skills and knowledge transfer. Second, mentoring constitutes a unique form of flexible, ongoing needs assessment, where the mentor can pinpoint specific needs over a period of months, and adjust his/her work plan to target assistance that responds to those needs. Third, the Member State has access to an "on-call" resource to provide advice on real cases and problems as they arise. Fourth, a mentor can facilitate access to foreign counterparts for international cooperation and mutual legal assistance at the operational level by using his/her contacts to act as a bridge to the international community.

The GPML was among the first technical assistance providers to recognize the importance of countries' creating a financial intelligence capacity, and the program's mentors worked extensively with the development and the implementation phases of Financial Intelligence Units (FIUs) in several countries in the Eastern Caribbean and the Pacific regions. Both the Mentor Programme and the CBT program make technical assistance and training to FIUs a priority. In 2005, the GPML, jointly with the Egmont Group, conducted two awareness-raising training workshops on FIUs in Pretoria, South Africa for ESAAMLG countries and Ethiopia, and in Dakar, Senegal for GIABA countries. The GPML still hosts and acts as rapporteur for the FIU strategic analysis workshop (SAW), which was presented at the Egmont Plenary Meeting in Washington D.C. in June. Two SAW meetings took place in 2005.

In response to countries' concerns about the difficulties of implementing AML/CTF policies in cash-based economies, and the prevalence in some regions of cash couriers, the GPML is working toward the development of CBT modules to address AML/CTF requirements in a cash-based context. GPML contributed to the delivery of mock trials in Latin and Southern America. This tailored-made activity was developed in response to repeated requests from member states for more relevant and realistic AML training. It combines training and practical aspects of the judicial work into one capacity building exercise.

The GPML administers the Anti-Money Laundering International Database (AMLID) on the International Money Laundering Information Network (IMoLIN), an online, password-restricted analytical database of national AML legislation that is available only to public officials. The GPML also maintains an online AML/CTF legal library. IMoLIN (www.imolin.org) is a practical tool in daily use by government officials, law enforcement and lawyers. The Programme manages and constantly updates this database on behalf of the UN and nine major international partners in the field of anti-money laundering: the Asia/Pacific Group on Money Laundering (APG), the Caribbean Financial Action Task Force (CFATF), the Commonwealth Secretariat, the Council of Europe, the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the EurAsia Group (EAG), the Financial Action Task Force (FATF), Interpol, and the Organization of American States (OAS). The GPML has initiated the second round of analysis utilizing the recently revised AMLID questionnaire. The updated AMLID questionnaire reflects new money laundering trends and standards, and takes

provisions related to terrorist financing and other new developments in to account, including the revised FATF 40 + 9 Recommendations.

Major Money Laundering Countries

Every year, U.S. officials from agencies with anti-money laundering responsibilities meet to assess the money laundering situations in 200 jurisdictions. The review includes an assessment of the significance of financial transactions in the country's financial institutions that involve proceeds of serious crime, steps taken or not taken to address financial crime and money laundering, each jurisdiction's vulnerability to money laundering, the conformance of its laws and policies to international standards, the effectiveness with which the government has acted, and the government's political will to take needed actions.

The 2006 INCSR assigned priorities to jurisdictions using a classification system consisting of three differential categories titled Jurisdictions of Primary Concern, Jurisdictions of Concern, and Other Jurisdictions Monitored.

The "Jurisdictions of Primary Concern" are those jurisdictions that are identified pursuant to the INCSR reporting requirements as "major money laundering countries." A major money laundering country is defined by statute as one "whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking." However, the complex nature of money laundering transactions today makes it difficult in many cases to distinguish the proceeds of narcotics trafficking from the proceeds of other serious crime. Moreover, financial institutions engaging in transactions involving significant amounts of proceeds of other serious crime are vulnerable to narcotics-related money laundering. The category "Jurisdiction of Primary Concern" recognizes this relationship by including all countries and other jurisdictions whose financial institutions engage in transactions involving significant amounts of proceeds from all serious crime. Thus, the focus of analysis in considering whether a country or jurisdiction should be included in this category is on the significance of the amount of proceeds laundered, not of the anti-money laundering measures taken. This is a different approach taken than that of the FATF Non-Cooperative Countries and Territories (NCCT) exercise, which focuses on a jurisdiction's compliance with stated criteria regarding its legal and regulatory framework, international cooperation, and resource allocations.

All other countries and jurisdictions evaluated in the INCSR are separated into the two remaining groups, "Jurisdictions of Concern" and "Other Jurisdictions Monitored," on the basis of a number of factors that can include: (1) whether the country's financial institutions engage in transactions involving significant amounts of proceeds from serious crime; (2) the extent to which the jurisdiction is or remains vulnerable to money laundering, notwithstanding its money laundering countermeasures, if any (an illustrative list of factors that may indicate vulnerability is provided below) ; (3) the nature and extent of the money laundering situation in each jurisdiction (for example, whether it involves drugs or other contraband); (4) the ways in which the United States regards the situation as having international ramifications; (5) the situation's impact on U.S. interests; (6) whether the jurisdiction has taken appropriate legislative actions to address specific problems; (7) whether there is a lack of licensing and oversight of offshore financial centers and businesses; (8) whether the jurisdiction's laws are being effectively implemented; and (9) where U.S. interests are involved, the degree of cooperation between the foreign government and U.S. government agencies. Additionally, given concerns about the increasing interrelationship between inadequate money laundering legislation and terrorist financing, terrorist financing is an additional factor considered in making a determination as to whether a country should be considered an "Other Jurisdiction Monitored " or a "Jurisdiction of Concern". A government (e.g., the United States or the United Kingdom) can have comprehensive anti-money laundering laws on its books and conduct aggressive anti-money laundering enforcement

efforts but still be classified a “Primary Concern” jurisdiction. In some cases, this classification may simply or largely be a function of the size of the jurisdiction’s economy. In such jurisdictions quick, continuous and effective anti-money laundering efforts by the government are critical. While the actual money laundering problem in jurisdictions classified “Concern” is not as acute, they too must undertake efforts to develop or enhance their anti-money laundering regimes. Finally, while jurisdictions in the “Other” category do not pose an immediate concern, it will nevertheless be important to monitor their money laundering situations because, under the right circumstances, virtually any jurisdiction of any size can develop into a significant money laundering center.

Vulnerability Factors

The current ability of money launderers to penetrate virtually any financial system makes every jurisdiction a potential money laundering center. There is no precise measure of vulnerability for any financial system, and not every vulnerable financial system will, in fact, be host to large volumes of laundered proceeds, but a checklist of what drug money managers reportedly look for provides a basic guide. The checklist includes:

- Failure to criminalize money laundering for all serious crimes or limiting the offense to narrow predicates.
- Rigid bank secrecy rules that obstruct law enforcement investigations or that prohibit or inhibit large value and/or suspicious or unusual transaction reporting by both banks and non-bank financial institutions.
- Lack of or inadequate “know your client” requirements to open accounts or conduct financial transactions, including the permitted use of anonymous, nominee, numbered or trustee accounts.
- No requirement to disclose the beneficial owner of an account or the true beneficiary of a transaction.
- Lack of effective monitoring of cross-border currency movements.
- No reporting requirements for large cash transactions.
- No requirement to maintain financial records over a specific period of time.
- No mandatory requirement to report suspicious transactions or a pattern of inconsistent reporting under a voluntary system; lack of uniform guidelines for identifying suspicious transactions.
- Use of bearer monetary instruments.
- Well-established non-bank financial systems, especially where regulation, supervision, and monitoring are absent or lax.
- Patterns of evasion of exchange controls by legitimate businesses.
- Ease of incorporation, in particular where ownership can be held through nominees or bearer shares, or where off-the-shelf corporations can be acquired.
- No central reporting unit for receiving, analyzing and disseminating to the competent authorities information on large value, suspicious or unusual financial transactions that might identify possible money laundering activity.
- Lack of or weak bank regulatory controls, or failure to adopt or adhere to Basel Committee’s “Core Principles for Effective Banking Supervision”, especially in

jurisdictions where the monetary or bank supervisory authority is understaffed, under-skilled or uncommitted.

- Well-established offshore financial centers or tax-haven banking systems, especially jurisdictions where such banks and accounts can be readily established with minimal background investigations.
- Extensive foreign banking operations, especially where there is significant wire transfer activity or multiple branches of foreign banks, or limited audit authority over foreign-owned banks or institutions.
- Jurisdictions where charitable organizations or alternate remittance systems, because of their unregulated and unsupervised nature, are used as avenues for money laundering or terrorist financing.
- Limited asset seizure or confiscation authority.
- Limited narcotics, money laundering and financial crime enforcement and lack of trained investigators or regulators.
- Jurisdictions with free trade zones where there is little government presence or other supervisory authority.
- Patterns of official corruption or a laissez-faire attitude toward the business and banking communities.
- Jurisdictions where the U.S. dollar is readily accepted, especially jurisdictions where banks and other financial institutions allow dollar deposits.
- Well-established access to international bullion trading centers in New York, Istanbul, Zurich, Dubai and Mumbai.
- Jurisdictions where there is significant trade in or export of gold, diamonds and other gems.
- Jurisdictions with large parallel or black market economies.
- Limited or no ability to share financial information with foreign law enforcement authorities.

Changes in INCSR Priorities for 2005

Jurisdictions moving from the Concern Column to the Primary Concern Column: *Afghanistan, Guatemala, and St. Kitts and Nevis.*

Jurisdictions moving from the Other Column to the Concern Column: *Algeria, Angola, Guyana, Laos, and Zimbabwe*

Jurisdiction moving from the Concern column to the Other/Monitored Column: *Nauru*

In the Country/Jurisdiction Table on the following page, “major money laundering countries” that are in the “jurisdictions of primary concern” column are identified for purposes of statutory INCSR reporting requirements. Identification as a “major money laundering country” is based on whether the country or jurisdiction’s financial institutions engage in transactions involving significant amounts of proceeds from serious crime. It is not based on an assessment of the country or jurisdiction’s legal framework to combat money laundering; its role in the terrorist financing problem; or the degree of its cooperation in the international fight against money laundering, including terrorist financing. These

factors, however, are included among the vulnerability factors when deciding whether to place a country in the “concern” or “other” column.

Note: Country reports are provided for only those countries listed in the “Other/Monitored” column that have received training or technical assistance funded directly or indirectly by INL in 2005.

Country/Jurisdiction Table

Countries/Jurisdictions of Primary Concern		Countries/Jurisdictions of Concern		Other Countries/Jurisdictions Monitored	
Afghanistan	Philippines	Albania	Portugal	Andorra	Maldives
Antigua and Barbuda	Russia	Algeria	Qatar	Anguilla	Mali
Australia	Singapore	Angola	Romania	Armenia	Malta
Austria	Spain	Argentina	Samoa	Azerbaijan	Marshall Islands
Bahamas	St. Kitts & Nevis	Aruba	Saudi Arabia	Benin	Mauritania
Belize	Switzerland	Bahrain	Serbia and Montenegro	Bermuda	Mauritius
Bosnia and Herzegovina	Taiwan	Bangladesh	Seychelles	Botswana	Micronesia FS
Brazil	Thailand	Barbados	Sierra Leone	Brunei	Moldova
Burma	Turkey	Belarus	Slovakia	Burkina Faso	Mongolia
Cambodia	Ukraine	Belgium	South Africa	Burundi	Montserrat
Canada	United Arab Emirates	Bolivia	St. Lucia	Cameroon	Mozambique
Cayman Islands	United Kingdom	British Virgin Islands	St. Vincent	Cape Verde	Namibia
China, People Rep	USA	Bulgaria	Syria	Central African Republic	Nauru
Colombia	Uruguay	Chile	Tanzania	Chad	Nepal
Costa Rica	Venezuela	Comoros	Turks and Caicos	Congo, Dem Rep of	New Zealand
Cyprus		Cook Islands	Uzbekistan	Congo, Rep of	Niger
Dominican Republic		Cote d'Ivoire	Vanuatu	Croatia	Niue
France		Czech Rep	Vietnam	Cuba	Norway
Germany		Dominica	Yemen	Denmark	Oman
Greece		Ecuador	Zimbabwe	Djibouti	Papua New Guinea
Guatemala		Egypt		East Timor	Rwanda
Guernsey		El Salvador		Equatorial Guinea	San Marino
Haiti		Gibraltar		Eritrea	Sao Tome & Principe
Hong Kong		Grenada		Estonia	Senegal
Hungary		Guyana		Ethiopia	Slovenia
India		Honduras		Fiji	Solomon Islands
Indonesia		Iran		Finland	Sri Lanka
Isle of Man		Ireland		Gabon	Suriname
Israel		Jamaica		Gambia	Swaziland
Italy		Jordan		Georgia	Sweden
Japan		Kenya		Ghana	Tajikistan
Jersey		Korea, North		Guinea	Togo
Latvia		Korea, South		Guinea-Bissau	Tonga
Lebanon		Kuwait		Iceland	Trinidad and Tobago
Liechtenstein		Laos		Iraq	Tunisia
Luxembourg		Malaysia		Kazakhstan	Turkmenistan
Macau		Monaco		Kyrgyz Republic	Uganda
Mexico		Morocco		Lesotho	Zambia
Netherlands		Netherlands Antilles		Liberia	
Nigeria		Nicaragua		Lithuania	
Pakistan		Palau		Macedonia	
Panama		Peru		Madagascar	
Paraguay		Poland		Malawi	

Introduction to Comparative Table

The comparative table that follows the Glossary of Terms below identifies the broad range of actions, effective as of December 31, 2005 that jurisdictions have, or have not, taken to combat money laundering. This reference table provides a comparison of elements that define legislative activity and identify other characteristics that can have a relationship to money laundering vulnerability.

Glossary of Terms

1. “Criminalized Drug Money Laundering”: The jurisdiction has enacted laws criminalizing the offense of money laundering related to drug trafficking.
2. “Criminalized Beyond Drugs”: The jurisdiction has extended anti-money laundering statutes and regulations to include nondrug-related money laundering.
3. “Record Large Transactions”: By law or regulation, banks are required to maintain records of large transactions in currency or other monetary instruments.
4. “Maintain Records Over Time”: By law or regulation, banks are required to keep records, especially of large or unusual transactions, for a specified period of time, e.g., five years.
5. “Report Suspicious Transactions”: By law or regulation, banks are required to record and report suspicious or unusual transactions to designated authorities. On the Comparative Table the letter “M” signifies mandatory reporting; “P” signifies permissible reporting.
6. “Financial Intelligence Unit”: The jurisdiction has established an operative central, national agency responsible for receiving (and, as permitted, requesting), analyzing, and disseminating to the competent authorities disclosures of financial information concerning suspected proceeds of crime, or required by national legislation or regulation, in order to counter money laundering. These reflect those jurisdictions that are members of the Egmont Group.
7. “System for Identifying and Forfeiting Assets”: The jurisdiction has enacted laws authorizing the tracing, freezing, seizure and forfeiture of assets identified as relating to or generated by money laundering activities.
8. “Arrangements for Asset Sharing”: By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions which assisted in the conduct of the underlying investigation.
9. “Cooperates w/International Law Enforcement”: By law or regulation, banks are permitted/required to cooperate with authorized investigations involving or initiated by third party jurisdictions, including sharing of records or other financial data.
10. “International Transportation of Currency”: By law or regulation, the jurisdiction, in cooperation with banks, controls or monitors the flow of currency and monetary instruments crossing its borders. Of critical weight here are the presence or absence of wire transfer regulations and use of reports completed by each person transiting the jurisdiction and reports of monetary instrument transmitters.
11. “Mutual Legal Assistance”: By law or through treaty, the jurisdiction has agreed to provide and receive mutual legal assistance, including the sharing of records and data.
12. “Non-Bank Financial Institutions”: By law or regulation, the jurisdiction requires non-bank financial institutions to meet the same customer identification standards and adhere to the same reporting requirements that it imposes on banks.

13. “Disclosure Protection Safe Harbor”: By law, the jurisdiction provides a “safe harbor” defense to banks or other financial institutions and their employees who provide otherwise confidential banking data to authorities in pursuit of authorized investigations.
14. “States Parties to 1988 UN Drug Convention”: As of December 31, 2001, a party to the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or a territorial entity to which the application of the Convention has been extended by a party to the Convention.¹
15. “Criminalized the Financing of Terrorism.” The jurisdiction has criminalized the provision of material support to terrorists and/or terrorist organizations.
16. “States Party to the UN International Convention for the Suppression of the Financing of Terrorism.” As of December 31, 2003, a party to the International Convention for the Suppression of the Financing of Terrorism, or a territorial entity to which the application of the Convention has been extended by a party to the Convention.

¹ The United Kingdom extended its application of the 1988 Convention and the United Kingdom Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Montserrat, Turks and Caicos, Isle of Man, Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

Comparative Table

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
	Government/Jurisdiction															
Afghanistan	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	N	Y	Y	Y	Y
Albania	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Algeria	Y	Y	N	Y	M	N	Y	N	N	Y	N	Y	Y	Y	Y	Y
Andorra	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	N	N
Angola	Y	N	N	N	N	N	N	N	N	N	Y	N	N	Y	N	N
Anguilla ¹	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Antigua & Barbuda	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Argentina	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Armenia	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Aruba	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Australia	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Austria	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Azerbaijan	Y	N	N	Y	N	N	N	N	N	Y	Y	N	Y	Y	Y	Y
Bahamas	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Bahrain	Y	Y	N	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	N	Y
Bangladesh	Y	Y	N	Y	M	N	N	N	N	Y	Y	N	N	Y	N	Y
Barbados	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Belarus	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Belgium	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Belize	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Benin	Y	N	Y	N	M	N	Y	N	Y	Y	N	N	Y	Y	N	Y

¹ The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

Money Laundering and Financial Crimes

Actions by Governments																
	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
Bermuda ¹	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Bolivia	Y	Y	N	Y	M	Y	Y	N	N	N	Y	N	Y	Y	N	Y
Bosnia & Herzegovina	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	N	Y	Y	Y	Y
Botswana	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	N	Y	Y	N	Y
Brazil	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
British Virgin Islands ¹	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Brunei Darussalam	Y	Y	N	Y	M	N	Y	N		N	Y	Y	N	Y	Y	Y
Bulgaria	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Burkina Faso	N	N	Y	N	N	N	N	N	N	N	N	N	N	Y	N	Y
Burma	Y	Y	Y	Y	M	N	Y	N	N	N	Y	Y	Y	Y	N	N
Burundi	N	N	N	Y	N	N	N	N	Y	N	N	N	N	Y	N	N
Cambodia	Y	N	Y	Y	M	N	N	N	Y	Y	N	N	N	Y	N	N
Cameroon	Y	Y	Y	Y	M	N	Y	N	N	N	N	N	N	Y	N	N
Canada	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cape Verde	Y	Y		Y	M	N	Y	N			Y			Y	N	Y
Cayman Islands ¹	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Chad	Y	Y	Y	Y	M	N	Y	N	N	Y	N	N	N	Y	N	N
Chile	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y		Y	Y	Y
China (PRC)	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	N	N	Y	Y	N
Colombia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Comoros	Y	Y	N	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Congo (Dem. Republic)	Y	Y	Y	Y	M	N	Y	N	N	N	N	Y	Y	Y	Y	N
Congo (Republic)	Y	Y	Y	Y	M	N	N	N	N	N	Y	Y	Y	Y	Y	N

¹ The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

Actions by Governments	Criteria															
	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
Cook Islands	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Costa Rica	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Cote D'Ivoire	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Croatia	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cuba	Y	Y	N	N	P	N	Y	N	N	Y	N	N	N	Y	Y	Y
Cyprus	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Czech Republic	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Denmark	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Djibouti	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	N
Dominica	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dominican Republic	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N
East Timor	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Ecuador	Y	Y	Y	Y	M	N	N	Y	N	Y	Y	N	N	Y	N	Y
Egypt	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
El Salvador	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Equatorial Guinea	Y	Y	Y	Y	M	N	N	N	N	N	N	N	N	N	N	Y
Eritrea	N	N	Y	Y	N	N	N	N	Y	Y	N	N	N	Y	N	N
Estonia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Ethiopia	Y	Y	Y	Y	M	N	N	N	N	N	N	N	N	Y	N	N
Fiji	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	N	Y	Y	N	N
Finland	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
France	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Gabon	N	N	Y	Y	M	N	N	N	N	N	N	N	N	N	N	N
Gambia	Y	Y	N	Y	M	N	Y	N	N	N	N	N	Y	Y	N	N
Georgia	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Germany	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y

Money Laundering and Financial Crimes

Actions by Governments																
	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
Ghana	Y	Y	N	Y	N	N	Y	N	Y	Y	Y	Y	N	Y	N	Y
Gibraltar ¹	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	N	Y	N
Greece	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Grenada	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Guatemala	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Guernsey ¹	Y	Y	N	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Guinea	Y	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	Y
Guinea-Bissau	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	N
Guyana	Y	Y	N	Y	M	N	Y	N	N	Y	Y	N	Y	Y	N	N
Haiti	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	N	N
Honduras	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Hong Kong	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Hungary	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Iceland	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
India	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Indonesia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N
Iran	Y	Y	N	Y	M	Y	N	N	N	N	Y	N	N	Y	N	N
Iraq	Y	Y	N	Y	M	N	Y	N	N	Y	N	Y	Y	Y	Y	N
Ireland	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Isle of Man ¹	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Israel	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Italy	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Jamaica	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N

¹ The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
Japan	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Jersey ¹	Y	Y	N	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Jordan	Y	Y	N	Y	M	N	N	Y	N	N	Y	Y	Y	Y	Y	Y
Kazakhstan	Y	N	N	Y	P	N	N	N	N	Y	Y	N	N	Y	N	Y
Kenya	Y	N	Y	Y	P	N	Y	N	Y	Y	Y	N	N	Y	N	Y
Korea (DPRK)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Korea (Republic of)	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Kosovo ²	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	NA	N	NA
Kuwait	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	N	N
Kyrgyzstan	N	N	N	N	P	N	Y	N	N	N	N	N	Y	Y	N	Y
Laos	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	N
Latvia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Lebanon	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	N
Lesotho	N	N	Y	Y	M	N	N	N	Y	N	Y	N	Y	Y	N	Y
Liberia	Y	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	N	Y
Liechtenstein	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y
Lithuania	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Luxembourg	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Macau	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	N
Macedonia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Madagascar	Y	Y	N	Y	N	N	Y	N		N	Y	Y	Y	Y	N	Y
Malawi	N	N	Y	Y	P	N	N	N		N	N	N	N	Y	N	Y

¹ The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

² Kosovo is under the supervision of the UN and is not a sovereign state.

Money Laundering and Financial Crimes

Actions by Governments																
	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
Malaysia	Y	Y	N	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N
Maldives	Y	N	N	N	M	N	Y	N		N		N	N	Y	Y	Y
Mali	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	N	Y	Y	Y
Malta	Y	Y	N	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Marshall Islands	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y
Mauritania	Y	Y	Y	N	N	N	Y	N	Y	N	Y	N	N	Y	Y	Y
Mauritius	Y	Y	N	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Mexico	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Micronesia	Y	Y	N	Y	N	N	Y	N	Y	N	Y	N	Y	Y	N	Y
Moldova	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Monaco	Y	Y	N	Y	M	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y
Mongolia	N	N	N	N	N	N	Y	N	N	N	N	N	Y	Y	N	Y
Montenegro	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Montserrat ¹	Y	Y	N	Y	M	N	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Morocco	N	N	N	Y	M	N	N	N	N	Y	Y	N	Y	Y	Y	Y
Mozambique	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Namibia	Y	Y	Y	Y	M	N	N	N	N	N	N	Y	N	Y	N	N
Nauru	Y	Y	N	Y	M	N	Y	Y	Y	N	Y	Y	Y	N	Y	N
Nepal	N	N	N	Y	N	N	Y	N	Y	N	N	N	N	Y	N	N
Netherlands	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Netherlands Antilles	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N
New Zealand	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Nicaragua	Y	N	Y	Y	M	N	Y	N	Y	Y	Y	N	N	Y	N	Y

¹ The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
Niger	Y	Y	Y	Y	M	N	Y	N	Y	N	N	Y	N	Y	N	Y
Nigeria	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Niue ¹	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	NA	N	NA
Norway	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Oman	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	N	N
Pakistan	Y	N	N	Y	M	N	Y	N	N	N	Y	Y	Y	Y	Y	N
Palau	Y	Y	Y	Y	M	N	Y	Y	Y	N	Y	Y	N	N	N	Y
Panama	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Papua New Guinea	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y
Paraguay	Y	Y	Y	Y	M	Y	N	N	Y	Y	Y	Y	Y	Y	N	Y
Peru	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Philippines	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Poland	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Portugal	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Qatar	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Romania	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Russia	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Rwanda	N	N	N	N	N	N	N	N	Y	N	N	N	N	Y	N	Y
Samoa	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
San Marino	Y	Y	N	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Sao Tome & Principe	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	N
Saudi Arabia	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	N
Senegal	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	N	Y
Serbia	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y

¹ Niueans are citizens of New Zealand; Niue is not a member of the UN.

Money Laundering and Financial Crimes

Actions by Governments	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
Seychelles	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Sierra Leone	Y	Y	N	Y	M	N	N	N	N	N	N	N	N	Y	N	Y
Singapore	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Slovakia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Slovenia	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Solomon Islands	Y	Y	N	Y	N	N	N	N	N	N	N	N	N	N	N	N
South Africa	Y	Y	N	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Spain	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Sri Lanka	N	N	N	N	N	N	N	N	N	N	Y	N	Y	Y	Y	Y
St Kitts & Nevis	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
St. Lucia	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	N	N
St. Vincent/Grenadines	Y	Y	N	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Suriname	Y	Y	N	Y	M	N	Y	N	Y	N	Y	Y	Y	Y	N	N
Swaziland	Y	Y	Y	Y	M	N	Y	N	Y	N	Y	N	Y	Y	N	Y
Sweden	Y	Y	Y	Y	M	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
Switzerland	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Syria	Y	Y	Y	Y	M	N	Y	N	N	N	Y	Y	N	Y	N	Y
Taiwan ¹	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	NA	N	NA
Tajikistan	Y	Y	N	N	N	N	N	N	N	Y	Y	N	N	Y	Y	Y
Tanzania	Y	N	Y	Y	N	N	Y	N	Y	N	Y	N	Y	Y	Y	Y
Thailand	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Togo	Y	N	Y	Y	N	N	Y	N	Y	N	Y	N	Y	Y	Y	Y
Tonga	Y	Y	Y	Y	M	N	Y	N	Y	Y	N	N	N	Y	N	Y
Trinidad & Tobago	Y	Y	Y	Y	M	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N

¹ Taiwan is not a member of the UN.

Actions by Governments																
	Criminalized Drug Money Laundering	Criminalized Beyond Drugs	Record Large Transactions	Maintain Records Over Time	Report Suspicious Transactions (NIMP)	Financial Intelligence Unit	System for Identifying/Forfeiting Assets	Arrangements for Asset Sharing	Cooperates w/International Law Enf.	Int'l. Transportation of Currency	Mutual Legal Assistance	Non-Bank Financial Institutions	Disclosure Protection "Safe Harbor"	States Party to 1988 UN Convention	Criminalized Financing of Terrorism	Internat'l Terrorism Financing Convention
Tunisia	Y	Y	Y	Y	M	N	Y	N	N	Y	N	N	Y	Y	Y	Y
Turkey	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	N	Y	N	Y
Turkmenistan	Y	Y	N	Y	M	N	Y	N	Y	Y	Y	N	N	Y	Y	Y
Turks & Caicos ¹	Y	Y	Y	Y	M	N	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Uganda	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	Y
Ukraine	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
United Arab Emirates	Y	Y	Y	Y	M	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
United Kingdom	Y	Y	Y	Y	M	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
United States	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Uruguay	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Uzbekistan	Y	Y	Y	Y	M	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
Vanuatu	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Venezuela	Y	Y	Y	Y	M	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Vietnam	Y	Y	Y	Y	M	N	Y	N	N	Y	Y	Y	N	Y	N	Y
Yemen	Y	Y	N	Y	M	N	N	N	N	N	Y	Y	Y	Y	N	N
Zambia	Y	Y	N	Y	M	N	Y	N	Y	N	Y	N		Y	N	N
Zimbabwe	Y	Y	N	Y	M	N	Y	N	N	Y	N	N	N	Y	Y	N

¹ The UK extended its application of the 1988 Convention and the UK Terrorism Order 2001 to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos, Isle of Man, Bailiwick of Jersey, and Guernsey. The International Convention for the Suppression of the Financing of Terrorism has not yet been so extended.